ALBANIA RAILWAY PROJECT

MINISTRY OF INFRASTRUCTURE AND ENERGY

Land Acquisition and Livelihood Restoration Plan

Version	Date	Description	Prepared	HSH Checked	HSH Approved
VO1	Jan 2019	LALRP	Enova		
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VO5	Sept 2022	LALRP	Eriton Hasaj	Bashkim Kosruho	Gentian Liko

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LIST OF ABBREVIATIONS

AoS	Area Of Study
DCM	Council Of Ministers Decision
EBRD	European Bank for Reconstruction and Development
ESAP	Environmental And Social Action Plan
HSH	HEKURUDHA SHQIPTARE Sh.A. (ALBANIAN RAILWAYS Sh.A.)
LAF	Land Acquisition Framework
LALRP	Land Acquisition and Livelihood Restoration Plan
MIE	(Albanian) Ministry of Infrastructure and Energy
PAP	Project Affected People
PMIU	(*HSH*) Project Management and Implementation Unit
PR	(EBRD) Performance Requirement
PTT	Public Transport Terminal
SAC	(Albanian) State Agency of Cadastre
SAE	State Agency of Expropriation

LIST OF DEFINITIONS FOR TERMS USED IN THIS DOCUMENT

CENSUS AND SOCIO-ECONOMIC SURVEY	The census is a process for compiling a 100% sample of individuals, households and businesses (formal or informal) which will be physically and/or economically displaced by a project. The socio-economic survey is used to determine and analyse the socio-economic conditions of individuals, households and businesses (formal or informal) which will be physically and economically displaced by a project.
COMPENSATION	Payment in cash for loss of an asset or a resource that is acquired or affected by the project.
CUT-OFF DATE	The date after which anyone who moves into the project area is no longer entitled to compensation and/or assistance.
EBRD CATEGORIES OF DISPLACED PERSONS	*Category 1:* those who have formal legal rights to the land (including customary and traditional rights recognised under national laws). *Category 2:* those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws. *Category 3:* those who have no recognisable legal right or claim to the land they occupy.
ECONOMIC DISPLACEMENT	Loss of assets (including land) or access to assets that leads to loss of income or means of livelihood as a result of project-related land acquisition or restriction of access to natural resources. People or enterprises may be economically displaced with or without experiencing physical displacement.
INVOLUNTARY RESETTLEMENT	Resettlement is involuntary when land is acquired through the application of state powers. Actions may be taken without the displaced person's informed consent or power of choice.
LIVELIHOOD RESTORATION	Measures that will be undertaken to assist physically and economically displaced PAPs to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
MARKET VALUE	Market value is calculated based on prices of property in the area in which the particular property is being expropriated, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price.
MOVING ALLOWANCE	Cash compensation for costs directly associated to moving/relocation of a household or business.
PHYSICAL DISPLACEMENT	Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person(s) to move to another location.
PROJECT AFFECTED PEOPLE (PAP)	Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, pasture or undeveloped/unused land), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.

REPLACEMENT VALUE	Value calculated as the market value of the asset plus transaction costs such as taxes, stamp duties, legal and notarisation fees, registration fees, travel costs and any other such costs such as may be incurred as a result of the transaction or transfer of property. Compensation at full replacement value is sufficient for the affected person to replace project affected land, structures and other assets to the same or better standard in another location.
LAND ACQUISITION FRAMEWORK	A document developed when the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the project development stage. The purpose of a framework is to describe the likely impacts associated with land acquisition and outline the principles which will be followed to address these. Once the individual project components are defined and the required information becomes available, the framework serves as a basis for the development of a detailed plan (see item below).
LAND ACQUISITION AND LIVELIHOOD RESTORATION PLAN	The document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by an investment project. The purpose of the plan is to present to all interested parties, including affected people, who exactly will be affected by land acquisition, how acquisition will be implemented and by whom, as well as the time frame and resources.
STAKEHOLDERS	Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a project or having the ability to influence a project.
VULNERABLE GROUPS	These groups include people who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status, may be more adversely affected by displacement than others and who may be limited in their ability to take advantage of resettlement assistance and related development benefits. Vulnerable groups in the context of displacement also include people living below the poverty line, the landless, the elderly, women- and children-headed households, ethnic minorities, communities dependent on natural resources or other displaced persons who may not be protected through national land compensation or land titling legislation.

1. INTRODUCTION

1.1 DESCRIPTION AND CONTEXT OF THE PROJECT

The European Bank for Reconstruction and Development ("EBRD") has approved a sovereign loan of €36.87 million to the Republic of Albania, to finance a programme of rail infrastructure improvements for the benefit of the Albanian Railways Sh.a. (*Hekurudha Shqiptare* - ***"HSH")*** – a state-owned company which is under the jurisdiction of the Albanian Ministry of Infrastructure and Energy ("MIE").

The loan will finance the following components (the "Project"):

- *Component A*: rehabilitation of the existing railway line Durres-Tirana Public Transport Terminal (PTT) (length 34.2 km); and
- *Component B*: construction of a new railway line from Tirana PTT to Tirana International Airport (length 4.7 km).

The objective of the Project is to revitalise the railway infrastructure in Albania and enhance railway transport by improving railway infrastructure and operations and securing safety and interoperability.

Both components are shown in Figure 1 below.

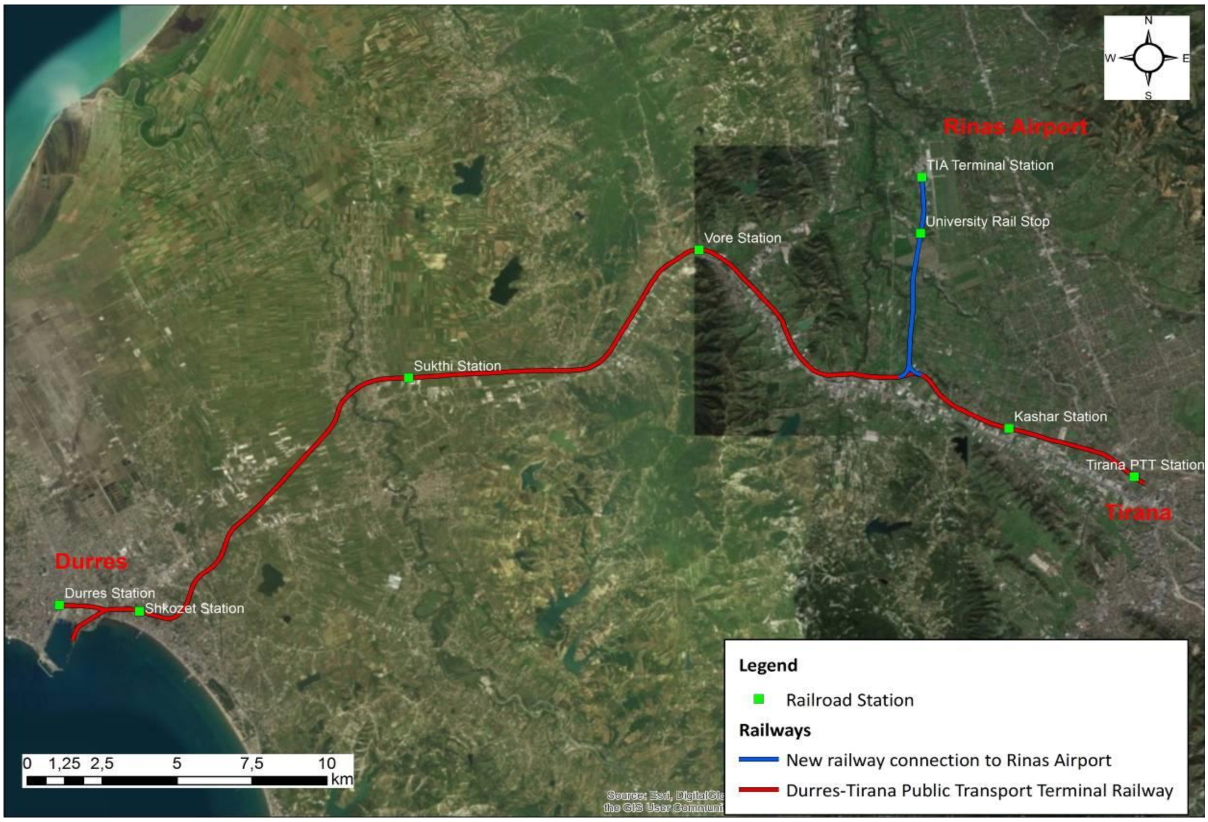

Figure 1: Project components

Component A: Rehabilitation of the existing railway line Durres-Tirana

The railway line was initially rehabilitated between 1996 and 1998. It accommodates both passenger and freight traffic. It currently operates with four stations: Shkozet, Sukth, Vore and Kashar. The former Tirana terminal station at the centre of the city was demolished, and a new terminal is to be integrated (new Tirana PTT) which is at a distance of about 4 km from the old Tirana Railway Station.

Currently the infrastructure is in very poor condition resulting in very slow speeds for several reasons, the most important of which are:

- In the last 15 years, funds were made available only for absolutely essential maintenance and repair of the infrastructure
- Signalling system was largely destroyed during periods of unrest in 1991 and 1997 and currently the system works without signalling
- Speed restrictions are governed principally by track condition and frequent unauthorized level crossings.

Planned rehabilitation works include:

- Upgrade of the line by replacing the existing superstructure, featuring a total length of 34.2 km
- Upgrade of line substructure by means of a cross section
- Improvement and/or expansion of the drainage network
- Implementation of new superstructure for the branch line Shkozet - Port of Durres
- Improved geometric design of the railway line
- Rehabilitation of stations' secondary lines, switches and station platforms
- Measures for improvement of bearing capacity of the existing bridges in order to enable targeted loads, along with works for the protection of the bridges
- Fencing of the railway corridor
- Rationalisation of level crossings (intersections) with the road network; integration of "authorised" intersections in the signalling system and fencing of "unauthorised" - arbitrary crossings
- The rehabilitated line will comply with the standards of 100 km/h up to 120 km/h
- Installation of a new signalling – telecommunications system in compliance with EU Technical Specifications for Interoperability.

Component B: Construction of a new railway line from Tirana PTT to Rinas airport
The new railway line features:

- Construction of a new railway link to connect the existing Durres to Tirana PTT line with the Tirana International Airport, with a length of 4.7 km
- Construction of a railway terminal at the Tirana International Airport
- Provision of an intermediate rail stop in the area of Epoka University
- Reinstatement of local road network of the area across the new railway line
- Installation of a new signalling – telecommunications system, integrated with the Durres-Tirana line system.

The new line includes four level crossings with the main roads and 2350 m of service roads parallel to the line, which ensure the reinstatement of connection across the line, the integration of the local road network and the access to the properties and land used in the area.

Based on the Project design and socio-economic studies, land expropriation for construction of the new railway line from Tirana to Rinas airport has been identified as the main social impact of the Project.

1.2 OBJECTIVE AND SCOPE OF THE LAND ACQUISITION AND LIVELIHOOD RESTORATION PLAN

Albanian Railways (**HSH**) has prepared **this Land Acquisition and Livelihood Restoration Plan (“LALRP”),** with the aim of addressing the potential impacts of land acquisition for Project, in conformance with:

- The laws and regulations in force in Albania,
- EBRD’s Environmental and Social Policy 2019[1], particularly Performance Requirement (PR) 5: Land Acquisition, Involuntary Resettlement and Economic Displacement.

This LALRP has been prepared on the basis of the **Land Acquisition Framework (“LAF”)** which was prepared by MIE and approved by EBRD in earlier stages of the Project with the aim of outlining the general principles, procedures and entitlement framework with regard to the potential impacts of land acquisition required for the Project. The LAF therefore is the basis for the development of this detailed LALRP, and this LALRP should be read in conjunction with the LAF.

[1] The full text of the Policy is available at: http://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html

This LALRP provides more precise details on the Project Affected People (PAP), the eligibility criteria and the procedures to be applied for the Project in line with the Framework and in compliance with EBRD ESP PR5. It specifies the procedures to be followed by State Agency of Expropriation and the actions it will take to properly resettle and compensate affected people and communities.

The objectives of this LALRP are to:

- mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land by providing compensation for loss of assets at replacement cost and ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;
- improve or, at a minimum, restore the livelihoods and standards of living of displaced persons to pre-Project levels;
- improve living conditions among displaced persons through provision of adequate housing;
- establish organisational arrangements and procedures to monitor the implementation of resettlement plan and take corrective actions as necessary.

1.3 STATUS OF LAND ACQUISITION ACTIVITIES

Since October 2021, HSH PMIU has started preparatory activities in line with Project's Environmental and Social Action Plan (ESAP) by performing the following activities:

- updated socio-economic survey and compensation methodology;
- carried out census and asset inventory verification and update;
- assessment of economically displaced properties and enterprises;
- calculation of PAPs compensation;

The HSH Expropriation Team conducted the socioeconomic study and census verification and updating between November 20 and January 21. The **cut-off date** is January 2021.

In addition, the Project design was further updated by the Works Contractor and results of final expropriation layout are also incorporated in this Plan.

In conclusion, based on the compensation assessments that applies full replacement cost which is in line with the requirements of EBRD PR5, the total expropriation cost is ALL 323,090,120.47 (EUR 2,749,937.19).

2. LAWS AND REGULATIONS

2.1 NATIONAL LEGAL FRAMEWORK AND COMPENSATION

The key law regulating expropriation and governing the land acquisition process for the Project is Law No. 8561/1999 "On Expropriation and Temporary Takings of Private Property for a Public Interest" (Expropriation Law), as recently amended by the Law No. 11/2020.

This Law is complemented by several Decisions of the Council of Ministers (DCM), guidelines and regulations, namely, the following:

- Law no. 52/2018, "On the Agreement ratification of the grant between the Republic of Albania and European Bank for Reconstruction and Development for funding the project "Railway Albania – Rehabilitation of Tirana – Durres Railway Line and construction of a New Railway Line to Tirana International" in the framework of the grant from EU Western Balkan Investment Fund ("WBIF");
- Law no. 11/2020, Article 8 / point 2 "On some amendments and additions to Law No. 8561, dated 22.12.1999, "On expropriations and temporary use of property, private property, for public interest, amended";
- Law No. 107/2014 "On Territorial Planning and Development", as amended;
- Decision of Council of Ministers (**DCM**) No. 686/2017 "On Adoption of Territorial Planning Regulation";

- DCM 408/2015 “On Adoption of the Territorial Development Regulation”, as amended;
- DCM No.127, dated 23.03.2000, “On the content and procedures of introducing the request and or initial announcement of expropriation and temporary takings of private property for a public interest”;
- DCM No. 138, dated 23.03.2000, “On the technical criteria for the assessment and calculation of the compensation amounts of private properties that are going to be expropriated for a public interest, of properties that are devaluated and of the rights of the third parties”, as amended;
- DCM No. 257, dated on 11.04.2007, “On the criteria and procedures for the physical compensation with state properties of expropriated subjects, in special cases”;
- DCM No. 89, dated 03.02.2016, “On the approval of the land map values in the Republic of Albania”;
- DCM no.395, dated 13.05.2020 “On the organization and functioning of the Public Expropriation Agency”, approved following the amendments of the Law no.8561/1999 and the establishment of the State Agency for Expropriation (“**SAE**”).
- Guideline No. 1, dated 05.10.2000, “On the technical criteria to calculate the value of the fruit trees that are being expropriated for public interest, in the cases when indicators of declared purchase are missing”; and
- Other regulations on land tenure rights and registration and on social protection that shall be taken into consideration.

2.2 KEY INSTITUTIONS IN THE PROCESS OF LAND ACQUISITION AND RESETTLEMENT

The institutions responsible for delivery of each item/activity in the entitlement process, implementation of the LARP and coordination of the activities associated with and described in LARF, are presented in table below.

Table 1: Key institutions involved in entitlement process

Institutions	Key responsibilities during expropriation/resettlement
Government of Albania (Council of Ministers)	The Government of Albania will compensate the project-affected people (PAPs) for any loss of physical assets, revenue, and income resulting from economic displacement or physical relocation whether these losses are temporary or permanent. It approves the expropriation by means of a decision.
Ministry of Infrastructure and Energy	Submits the confirmed/approved expropriation request for approval to the Council of Ministers.
Albanian Railways – Hekurudha Shqiptare (HSH)	The Albanian Railways has the ultimate responsibility for the implementation of all project components along with other Governmental Agencies. It submits the expropriation request with the Public Expropriation Agency.
State Agency for Expropriation (subordinate of the minister responsible for urban development/Ministry of Infrastructure and Energy)	Once an expropriation request is filed with the State Agency for Expropriation (“SAE”), the latter orders the establishment of an ad hoc commission responsible to follow and accomplish the expropriation process. The commission is responsible to determine the amount and the type of compensation.
Ministry of Finance and Economy	Determines the expropriation fund.
Local Government Units	Municipalities are responsible for the development and monitoring on the ground of the General Local Development Plans and therefore shall be consulted in the process of land expropriation.
State Agency of Cadastre (SAC)	Provides information on the land to be expropriated, before the application is sent to the SAE. The Cadastral Agency is responsible for running the Immovable Property Registration System, which provides information on the property (surface, type of land, location etc.) and on its owners and their rights on the land. Following the

	expropriation process the SCA is responsible for the registration of the new titles over the expropriated immovable properties.
Local Government Unit	In case no information on the area is available (first registration is not made), local authorities are responsible to provide data on the land and on ownership rights.
Administrative Courts	Address complaints on the amount of compensation provided in the Decision of the Council of Ministers approving the expropriation.

2.3 EXPROPRIATION PROCESS

2.3.1 Overview

Expropriation Law regulates the process for expropriation of permanent and/or temporarily occupied properties (land and structures), in the public interest for activities that cannot be performed in another way and which bring greater benefit to the public. The law provides compensation in such cases and even when the land is temporarily occupied. Only registered properties and formal legal owners of the properties are entitled to benefit by the law.

Expropriation may be done in favor of the state and of public or private, local or foreign legal persons, for the realization of a project, investment, in each case in accordance with expropriation law and always for a public interest. The subject, in favor of whom the expropriation is done, shall submit the application for expropriation to the SAE.

The expropriation process in the case of rehabilitation of a railway line is initiated by HSH that submits an expropriation application to SAE. This application contains information about ownership and other rights as they appear in the Cadastral Information System. For properties which have not yet been registered (initial registration), ownership data is collected from other local sources. This information is referred to as the Expropriation Dossier. Upon receiving the application, the SAE orders the establishment of an ad hoc commission to follow and accomplish the expropriation process.

Within 10 days from the day of notification of acceptance of an application for expropriation, an agreement is entered between the SAE and the applicant in favor of whom the expropriation is sought.

Within 10 days from entering into the agreement with the subject applying for expropriation, the SAE begins fulfilling the procedures of direct notification to each owner or joint owner of the private properties sought to be expropriated as well as to third persons related to their compensation.

The SAE publishes the expropriation application in the Official Gazette, in a newspaper with national circulation and in a local newspaper for a one-week period. Any third party affected by the expropriation is entitled to, not later than 15 days from the publication; submit their claims accompanied by the relevant documents to the SAE.

When the claims of a third party about ownership as well as about the conditions of expropriation offered are verified to be legally compliant, the SAE proceeds with the expropriation.

For the evaluation of private properties or other real rights of third persons that are subject to expropriation, the commission will consider the nature of the asset, initial value, depreciated value and location. At the conclusion of the preliminary procedures for expropriation, the competent minister for urban development (Minister of Infrastructure and Energy) submits to the Council of Ministers the proposal for expropriation. The expropriation and the compensation value are determined in the Decision of the Council of Ministers.

2.3.2 Land Tenure and Property Rights

The land and property reform began in Albania in early 90’s, characterized by several laws on property and ownership of land rights such as Law No. 7501 “On the Land”, Law No. 7843 “On Registration of Immovable Property” etc. Nevertheless, almost 30 years later, the reform is still ongoing, and some issues still remain unsettled i.e., the initial registration of properties, high legalization costs, complex administrative procedures and a large number of property disputes in court. The deadline for the legalization of the informal construction has expired long time ago and the Cadastral Agency is now processing all the application for the legalization of informal constructions/buildings.

2.3.3 Compensation

The Expropriation Commission valuates the affected properties and provides the relevant compensation, as approved by the Council of Ministers, in accordance with the DCM No. 138, dated 23.03.2000, “On the technical criteria for the assessment and calculation of the compensation amount of private properties that are going to be expropriated for a public interest, of properties that are devaluated and of the rights of the third parties”.

Properties are categorized as:

- Category no. 1 Construction objects: (a) residential structures and (b) any other structures rather than residential (warehouse, shops, etc.);
- Category no. 2 Agriculture land;
- Category no. 3 Construction land;

For (a) residential structures, the valuation is set as the average of transaction price for the sales in the same cadastral area, as determined by the State Cadastral Agency. In case such information is not available, the valuation is to be made based on the construction costs, using the benchmarks as provided by the National Dwelling Entity (*Enti Kombetar i Banesave*).

The valuation of building cost method is also used for the compensation of industrial or agricultural facilities. The compensation price for agriculture land, construction land, forests, fruit trees etc., is based on the DCM No. 89, date 03.02.2016, “On the approval of the land map values in the Republic of Albania”. If such information is missing from the DCM the benchmark method is applied which consist on the average sales price of the similar transaction within the same cadastral area in the last three months.

The valuation for fruit and trees is made using the cost method (investments, number of plants, surface area, other expenses etc.). Valuation of crops is made based on expected productivity.

With the recent amendments made to the law on expropriation the amount of compensation for assets, private property, which are expropriated for public interest, for realization of projects and investments based on an international agreement ratified by law, is calculated in accordance with the provisions of this agreement, provided that the manner of calculating the amount of the reward is also determined thereof.

2.3.4 Resettlement assistance

Law No. 22/2018 “On Social Housing” establishes the legal framework for the development of social housing programs in Albanian municipalities and provides for the categories of vulnerable persons or groups. Other laws on the assistance offered by the State to vulnerable groups (e.g., blind people, tetraplegic) can be used as a basis for the development of resettlement programs for vulnerable groups. The resettlement (compensation in kind) however is an option based on the Article 19/4 of the Expropriation Law. The latter article of the Expropriation Law recognizes that the expropriation authorities can also adopt the expropriation in kind as an alternative of compensation.

2.3.5 Territorial planning and development

Law No. 107/2014 “On Territorial Planning and Development”, as amended, regulates the territorial planning in Albania. The Law aims to ensure sustainable development, a rational use of current and future resources, the protection of natural resources, and the provision of equal opportunity.

Decision of Council of Ministers: DCM 686/2017 “On Adoption of Territorial Planning Regulation” contains rules for creating, implementing, and monitoring local and national territorial plan, and for achieving a uniformity of planning documents;

DCM 408/2015 "On Adoption of the Territorial Development Regulation", as amended, provides detailed conditions and procedures for developing and implementing development controls.

General National (Plan GNP), is the highest planning instrument in the Albania territory, which principals and objectives guide any other planning documents***.*** The GNP provides the strategic reference framework for sustainable development of territory, with the purpose of ensuring a balanced socio-economic development of the country, responsible management of the natural resources, protection of the environment while guarantees the rational use of land. With the approval of the GNP, no new buildings will be allowed in agricultural land, which do not serve to Agricultural System.

Integrated Sectorial Plan (NSP) for economic zone Tirane -Durres, provides the development strategy and policies for the territories of Municipalities of Tirana, Durres, Kruje, Vore, Kamze, which shall be considered by Municipalities when developing and approving the GLPs.

- *Strategic Objective 1:* Sustainable Economic Development;
- *Strategic Objective 2*: Improvement of life quality in urban e rural centres, through four Regeneration/Densification/Consolidation/Integration;
- *Strategic Objective 3:* Improvement of Infrastructure, transport and mobility
- *Strategic Objective 4:* Protection and Improvement of natural environment

Further, the sectorial territory development policies are defined in the GNP to achieve the four strategic objectives:

- Economic Development Policies
- Urban Development Policies.
- Rural Development Policies
- Other…

GNP emphasizes, that the change of land use for agricultural to urban land shall be avoided. The consolidation should be achieved through agricultural land conservation and strengthening the relationship rural-urban.

While the NSP defines the territories in western of Rinas airport as Urban Pole, the territories of villages crossed by the railways route are defines as agricultural zones. Agricultural zones are the zones with focus to the agricultural development, where the primary incomes derive from farming. The land use in these zones shall be oriented away for the pressure of the urban activities. Municipalities via the GLPs must give priority to the agricultural activity, avoiding the spread of urbanization. It also provides the instrument of the consolidation and use of agricultural land.

The General Local Plans of four Municipalities involved, as following:

Tirana Municipality: Decision no.1, dated 14.04.2017 of NTC "On the approval of the General Local Plan of Tirana Municipality"

Vora Municipality: Decision no.3, dated 17.05.2019 of NTC "On the approval of the General Local Plan of the Vora Municipality"; https://planifikimi.gov.al/index.php?eID=dumpFile&t=f&f=4525&token=7b6dc9aae5b563b08f62f92d7a0f8fdd5964bde0

Kamza Municipality: Decision no. 8, dated 20.12.2012 On the approval of the General Local Plan of the Kamza Municipality"

Kruja Municipality: Decision no.5, dated 08.02.2017 of the NTC "On the approval of the General Local Plan of the Kruja Municipality" and Decision no. 75, dated 10.08.2018 of Kruja Mayor "Detailed Local Plan, Structural Unit NI-UB-045".

The GLPs are the legal framework for the protection and use of the administrative territory of local government units (LGUs). A municipality is required to develop a GLP, which presents a vision for its future, with a long-term strategy for implementing projects that are important to the local government. A GLTP, as per DCM 686/2017, contains several sub-documents, including: Territorial Analysis and Assessment, which examines existing conditions; a Territorial Strategy, which presents a vision for future development; and a Territorial Development Plan, which is an implementation action plan. One of the most important elements of the GLP's is a land use plan and develops planning concepts for strategic development units/land zones of the municipality.

Also, the GLPs contain the parameters of development within a structural unit or units, known as development passports, as well as indicative maps. The passports regulate use, height, intensity, setbacks, parcels sizes, parcel coverage, floor area ratio, and other site and building features. Together with other planning indicators, these regulations allow specific development and investment opportunities, always within the context of the planning framework for the municipality as a whole.

The development permission for a given parcel can be obtained by meeting all the planning and development controls for the parcel, following the procedures set forth in DCM 408/2015. For units where a Local Detailed Plan (LDP) is required, the specifics of the development are provided in the LDP. There is only one structural unit NI - UB – 045, in Kruja Municipality for which the GLP requires a Local Detailed Plan and all the other structural units identified within the project footprints do not require LDPs.

2.3.6 Informal constructions crossing with the railway land surface belt

Law No. 142/2016, "On the Railway Code of the Republic of Albania" defines the railway line to include: "the railway belt that consists of the land surface of 5m minimal width at both sides of the lowest point of the railway basement or 5m from the drainage channels both sides of the railway".

As per Article 118/1 of the same Law, any form of construction along the railway belt is forbidden, except those that part the railway line. Any construction which is required to be made along the railway belt, including railway crossings, is subject to the prior approval of the Albanian Railway Authority (Hekurudha Shqiptare).

Other limitations exist for the protection of the railway line as provided in Article 118/2 and 119 of the Law No. 142/2016. The Railway Code prohibits any kind of construction along the railway line, closer than 25 meters from the line, outside urban areas. In urban areas, it is allowed to build residential buildings and other buildings, along the railway line belt, at a distance of 25 to 100 meters from the railway belt.

For the construction of any type of object located in urban areas outside the railway line belt, and at a distance of up to 25 meters from this belt, permission from the Albanian Railway Authority is required.

A lot of informal constructions were built in the last 20 years in Albania due to internal migration from rural to urban areas. In order to allow occupiers to legalize the informal constructions, Law no. 9482, dated 03.04.2006 "On Legalization, Urbanization Planning and Integration of Unauthorized Buildings" was approved with the aim to formalize these informal constructions and develop the relevant areas.

The Decision of the Council of Ministers issued pursuant to the Law 9482/2006, no. 280 as amended in 2016, provides a list of those informal buildings exempted from legalization process. Section II, 2/b of the DCM provides those informal buildings / constructions cannot be formalized when they affect the railway system/lines or cross the existing railway belt defined by the Railway Code. The railway belt consists of the land on both sides of the railway line, with a width of 100 meters, starting from the outer extremity of the railway line.

2.4 APPLICABLE EBRD POLICY

EBRD applies its Environmental and Social Policy (2019) to this Project. Land acquisition is covered by PR5 of the Policy. The main points of PR 5 are as follows:

- All feasible alternative project designs should be explored to avoid or at least minimise physical and/or economic displacement;
- Negotiated settlements are encouraged to help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly;
- Adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land should be mitigated by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that land acquisition activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;
- The livelihoods and standards of living of displaced persons should be improved or, at a minimum, restored to pre-project levels;
- Informal occupants of land are not entitled to compensation for land; however, they should be compensated for any other improvements to land and provided resettlement assistance;
- A grievance mechanism must be established as early as possible in the process in order to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner.

2.5 GAPS AND SOLUTIONS

The main gaps between Albanian legislation and EBRD's requirements for land acquisition, resettlement and displacement, relevant to the Project, are summarised below.

Table 2: Summary of gaps and solutions

Issue	EBRD requirement	Provision of Albanian Law on Expropriation	Measures undertaken to bridge gap
Resettlement planning and implementation	A census and a socio-economic baseline assessment must be carried out, and resettlement action plan must be prepared and implemented.	Requires only an Expropriation Study as the baseline census.	A census and socio-economic survey have been conducted according to EBRD requirements during the preparation of this LALRP.
Consultation	Involve affected people from the earliest stages and through all resettlement activities to facilitate their early and informed participation in decision-making processes related to resettlement	Apart from notifications to affected people as well as publication of the application for expropriation in the media and official gazettes, there is no requirement to consult and to disclose documentation publicly.	The local legislation requirements must be met, but MIE will additionally approach, inform and consult all property owners or users in line with this LALRP.
Eligibility for compensation (categorisation)	Displaced persons may be classified as persons: (i) who have formal legal rights to the land; (ii) who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws; or (iii) who have no recognisable legal right or claim to the land they occupy	The Law does not explicitly define categories of displaced persons; however, it recognises persons who have formal legal rights on land and structures (as registered in the Immovable Property Registration System) and those whose rights and claims are recognisable under national laws i.e., can be determined based on sale purchase contracts, inheritance documents, etc.	In addition to requirements of the local legislation, EBRD requirements related to other categories will be met as outlined in this LALRP.

Compensation in kind / cash	Where livelihoods of affected persons are land based or where land is collectively owned, land-based compensation will be offered, taking into account seasonal and agricultural timing requirements.	The Law does not directly state if compensation is to be provided in cash or in kind, but certain provisions imply that compensation is paid in cash.	Compensation in cash will be offered in line with the LARP.
Negotiated Settlements	Negotiated settlements are encouraged to help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly.	Negotiated settlements are encouraged by the Law. Owners are first given an offer, and if the owner accepts the offer, the procedure is considered completed.	No gap. This is one of the key principles listed in Chapter 5 of this LALRP.
Compensation at replacement value	Compensation to be provided at full replacement cost.	Compensation is provided at market value	Affected people will receive compensation at full replacement value in line with this LALRP. Compensation will include the registration cost in the Immovable Property Registration System, or other relevant register, any administrative fees, and/or transfer taxes.
Livelihood restoration assistance to persons who may suffer loss of income due to Project impacts	Specifically protect people who primarily live off their agricultural land.	The Law does not recognise loss of livelihoods associated to land acquisition.	Losses of income will be compensated according to this LALRP.
Vulnerable individuals and groups	Particular attention to be paid to vulnerable groups.	No special measures relating to vulnerable groups in the Expropriation Law. Vulnerable persons are entitled to various forms of social welfare assistance, available under other laws.	Appropriate measures will be applied in line with this LALRP.
Grievance mechanism	A project-specific grievance mechanism must be established.	No requirement for Project-specific grievance mechanism.	Affected people will have access to formal grievance mechanisms in line with the Expropriation Law. In addition, a Project specific grievance mechanism has been set up by the LAF and included in this LALRP.
Monitoring of resettlement Implementation	Arrangements for resettlement monitoring must be defined by the resettlement plan	No specific monitoring procedures.	Monitoring arrangements are defined in LAF, and included in this LALRP.

3. PROJECT AREA INFORMATION

3.1 PROJECT AFFECTED AREAS

An overview of project impact area is provided in the-maps below, which below show the affected land plots along the existing and new railway segment.

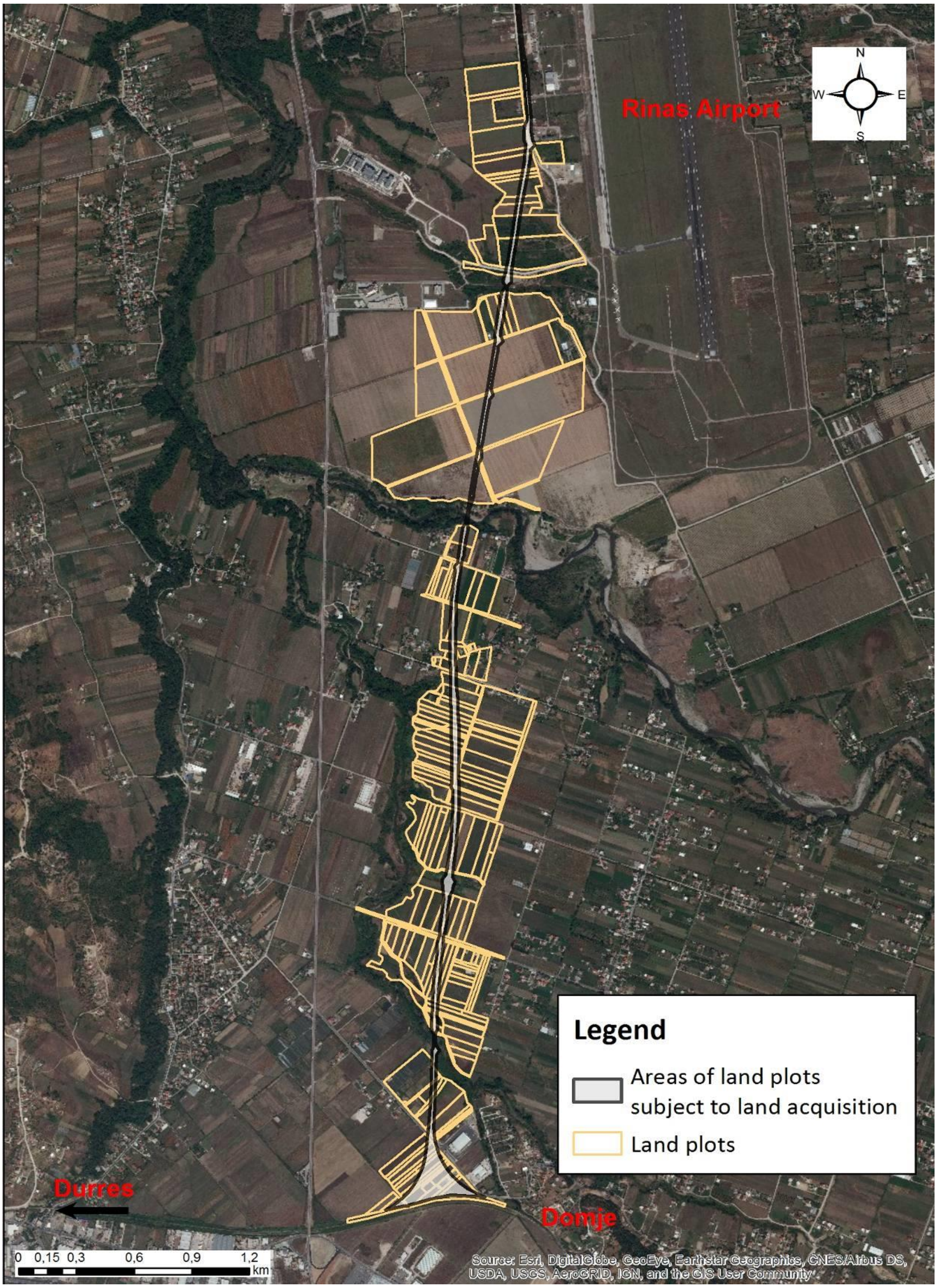

Figure 2: Map showing affected land plots along the entire new railway segment

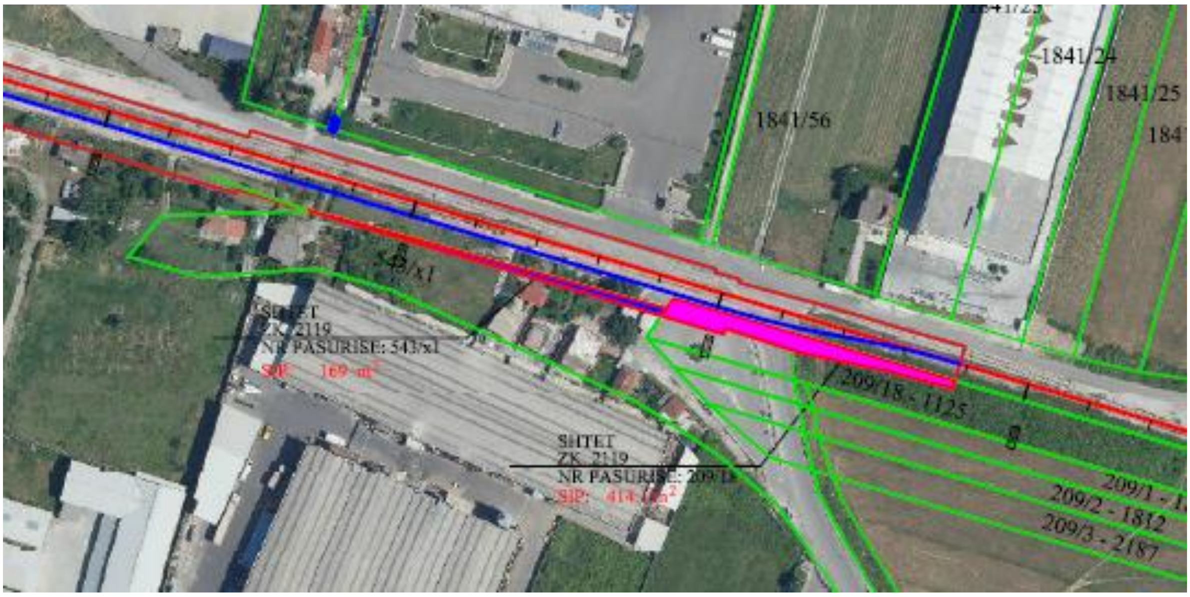

Figure 3: Map showing affected land plots on the railway station Kashar

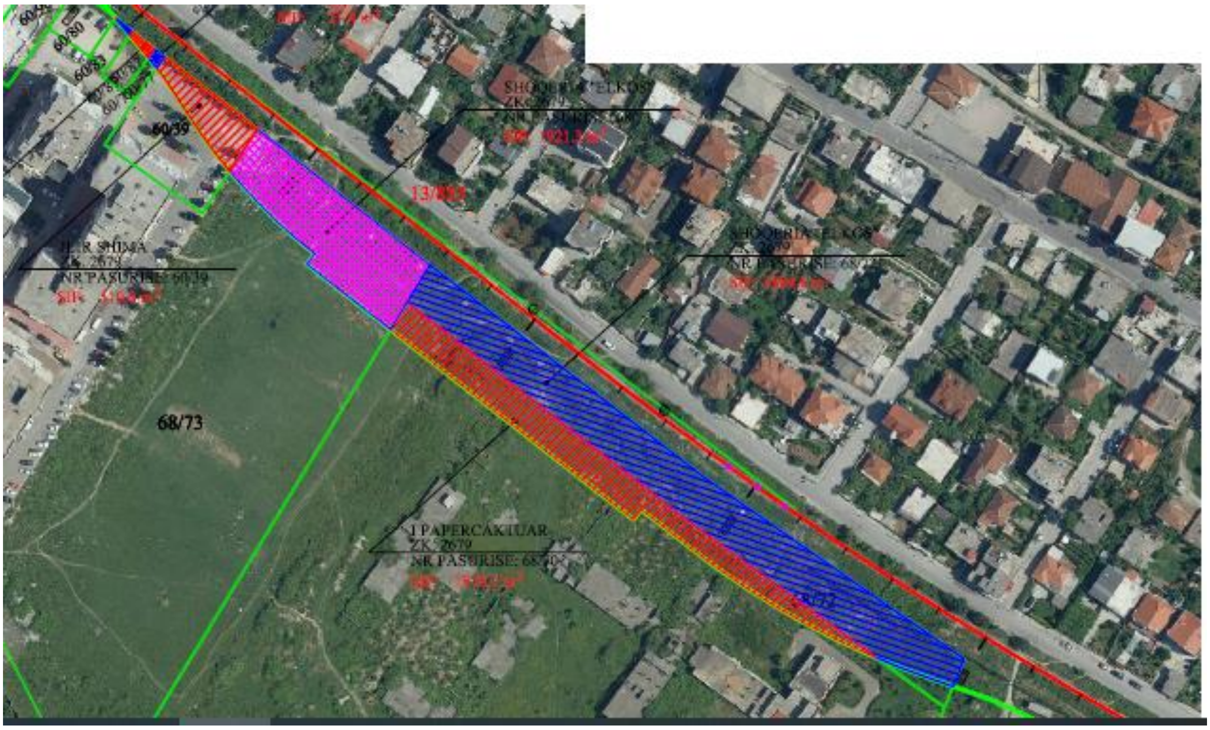

Figure 4: Map showing affected land plots located before the new Tirana PTT

Based on the studies and documentation prepared in regard to land acquisition/expropriation and the cadastral information, the following table presents a summary of Project Affected area, number of parcels and ownership status:

Table 3. Summary of Project Affected Land

Municipality	Admnistrative Unit	Sub-Zone	Land Use Category	No of Parcels		Project Area (m²)	
				State	Private	State	Private
Tirana	Mezez	7	Urban	7	0	7,795.70	0.00
	Kashar	8	Urban	1	2	247.80	43.00
Vore	Domje Triangle	6	Agriculture	4	16	4,925.60	27,461.20
	Upper Domje	5	Urban	2	7	1,215.70	5,620.20
	Berxull	4	Agriculture	16	53	12,295.00	44,506.90
	Fushe Preze	1	Urban	0	1	0.00	2,733.50
Kamez	Kamez	2	Agriculture	5	8	759.30	15,830.10
Kruje	Qereke and Rinas	1	Urban	7	12	17,027.30	9,646.80
				42	99	44,266.40	105,841.70
Total				141		150,108.10	

3.2 UPDATE OF LAND ACQUISTION ACTIVITIES

In November 2020, HSH started the verification process of the Census and Asset Inventory (CAI) data collected in 2018 and, at the same time, conducted an updated socio-economic study.

The HSH established a Land Acquisition/Expropriation Team (hereby referred to as the “team” to carry out the activities mentioned above.

Census of the affected plots: The team further surveyed all affected plots cross-checking with the old CAI. The plot and affected part are measured and described including its current cover at the time of inspection (Annual and perennial crops).

Socio-economic survey: The team have met the identified landowners and land users for each affected parcel on an individual basis to carry out a basic household identification and socio-economic survey. The purpose of this survey was to gather baseline information on all affected households, including their current socio-economic circumstances, and identification of potential specific vulnerabilities. A demographic and socio-economic questionnaire was developed and utilized to perform the survey (*See Annex 4*). This is also the stage where potentially vulnerable people are identified. Preliminary information on disabilities, age, and income are gathered for further processing by the team and consideration of specific support in further stages of the Project. A specific form is developed to reflect the results of the census for each affected landowner and land user household.

Compensation Methodology: HSH developed the compensation methodology for all agricultural and construction land parcels (at full replacement cost) based on the international ratified agreement between EBRD and the Albanian Government (approved by parliament) and recent relevant Albanian Laws concerning land acquisition compensation.

Calculation of PAPs compensation: Based on agreed inventory, the proposed compensation is calculated for land and annual and perennial crops according to the rates proposed by Compensation Methodology.

The total number of land plots expected to be affected is 142, of which:

- 42 state-owned plots;
- 99 private land plots;
- 8 parcels belong to business owners
- 4 land plots under Agriculture University of Tirana
- 7 owned by Municipality of Tirana (public land property at residential area)

In addition, there are 2 commercial structures that will be acquired.

There are 99 private land plots to be acquired with a total area of 105,841.70 m² of which 18,043.50 m² (17.05%) are urban plots while 87,798.20 m² (82.95%) are agricultural plots.

Four land plots in Domje Triangle will be entirely acquired, whereas the remaining plots will be partially acquired and affected by the construction of the new railway line, and some of them will be divided into two parts.

There are no residential houses that will be demolished. In addition, the HSH PMIU socio-economic analysis found no informal land users. There are two side-by-side businesses in the Domje village (exactly on the triangle part of the railway intersection) which are expected to be relocated.

In addition to the above, HSH engaged a licensed adviser to perform the evaluation process of the below cases including business.

- Two business at Domje Triangle (Car scrapyards);
- Two informal settlers at Kashar station that have a section of their yards affected by the Project;
- Farm business of Paulownia trees in Berxull area;
- A car wash business at Mezes area;

3.3 SOCIO-ECONOMIC STUDY OF AOS

3.3.1 Introduction

In the valuation of the real estate, it is important to consider the regional and local economic and demographic characteristics where the properties are located, considering that those characteristics have an effect on an asset's ability to provide future benefits. Insights on both current and historical trends of economic indicators is provided in this section, in order to place the properties subject of this valuation report into a "macro" context.

The project crosses the territory of 4 (four) Municipalities, 5 (five) Administrative Units and 8 (eight) villages.

3.3.2 Economic Studies Performed

This chapter includes the socio-economic baseline performed in 2021 by providing assessment and analysis of the potential socio-economic impacts (positive and negative) related to the land acquisition and restrictions on land use created by the Project.

3.3.3 Methodology for Baseline Data Collection

The baseline study presented herein relies on a mixed-method approach to research that combines relevant primary and secondary sources of information.

Primary data sources

The baseline's primary data is based on both quantitative and qualitative data collection methods including household surveys, Focus Groups (FGs) and Key Informant Interviews (KIIs), all conducted between November 2020 to February 2021, walk through and site visits, meetings with the affected individuals and businesses, local governmental representatives.

An asset survey was also undertaken to understand the location of immoveable structures as well as significant moveable assets (fences, walls, well etc.). This information is displayed at one of the sections of the socio-economic survey conducted at the area of study.

Secondary sources

A variety of secondary sources were utilized to provide additional information to support the findings of the primary research. Secondary sources included the following:

- Reports/ studies/supportive documents provided by Albanian Railway
- Government sources of information and legislation associated with large- and small-scale socio-economic activities and impact of Covid 19 in different areas of economy and wellbeing
- Local governmental development plans, studies
- Socio-economic information available from other sources such as internet databases, World Bank, INSTAT, Ministry of Finance and Economy etc.

They were all reviewed to support the primary data collected.

The baseline information collected, together with the findings of this assessment, has been used by the Albania Railway to adequately address any impacts and ensure the economic situation is at least maintained at pre-project levels, but, ideally, improved.

3.3.4 Asset survey

The HSH Expropriation Team and Social Expert of PMIU Support conducted an asset survey within the AoS (ref. Table: Project affected local Administrative Units/villages below).

AoS includes specifically four 4 (four) municipalities, 5 (five) administrative units and 8 (eight) villages, with a total population of 135,303 inhabitants. The population of the affected area that covers Tirana prefecture represent 14% of total population of Tirana prefecture and 4% of total population of Durrës prefecture.

Table: Project affected local Administrative Units/villages

Table 4. Project Affected Local Administrative Units/Villages

Prefecture	Municipality	Administrative Unit	Villages	Population
Tirana	TIRANA	KASHAR	MEZEZ KATUND I RI	43,353
	VORE	BERXULLE	BERXULL DOMJE	9,883
		FUSHE PREZE	FUSHE PREZE	4,727
	KAMËZ	KAMËZ	KAMËZ CITY	66,841
Durres	KRUJA	NIKEL	QEREKË RINAS	10,499
TOTAL				**T135,303**

3.4 Additional Data

General demographic and economic indicators and trends for the Municipalities crossed by the Railways Project are presented in the following.

Demographics

Table 5: Local Administrative Units by Degree of urbanization (INSTAT)

Municipality	Local administrative unit	Densely populated areas	Intermediate density areas	Thinly populated areas
KRUJE	NIKËL (Rinas)		x	
TIRANË	KASHAR	x		
	TIRANË	x		
VORË	BËRXULLË		x	
	VORË		x	
	PREZË			x
KAMËZ	KAMËZ	x		

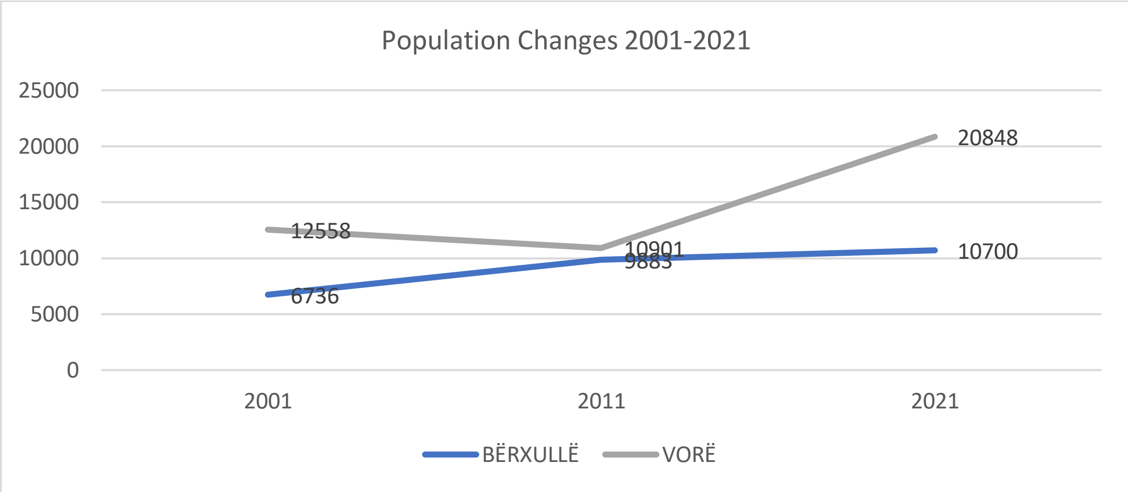

Figure 5: Demographic Changes Berxulle, Vore

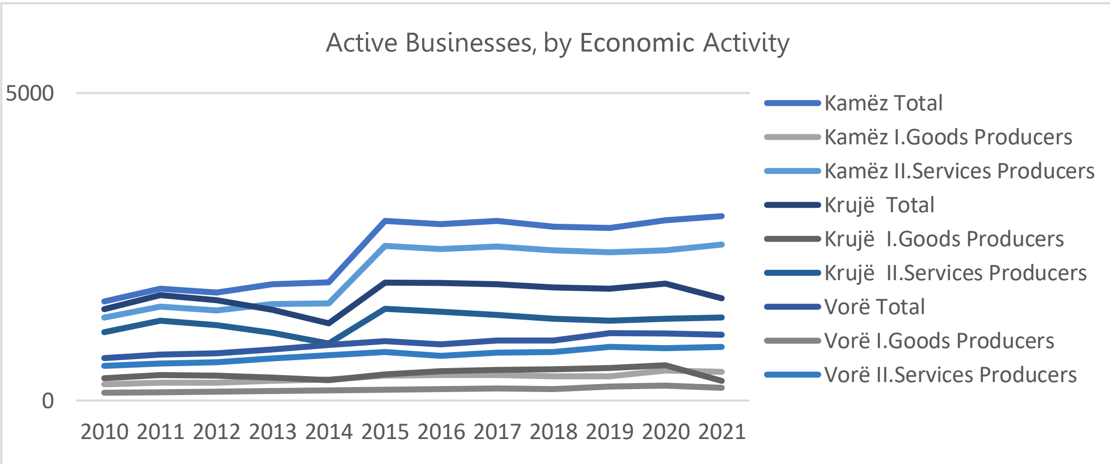

Figure 6: Active Businesses by Municipalities (INSTAT)

Construction History and Trends (INSTAT)

Construction in the subject neighborhood began after the 1990's adjacent to and west of the Tirana District, and it stretched to the north over the thirty years. Most of the original construction within the neighborhoods during that period was residential in nature with commercial and industrial property being located along the major traffic arteries Tirana-Durres and Vore – Rinas.

In the very first year's post 1990, the construction has included several individual residential buildings by creating new residential nucleus, and in last 15 years, the construction has included various miscellaneous commercial and light industrial construction, and trend would appear to be consistent in the last few years.

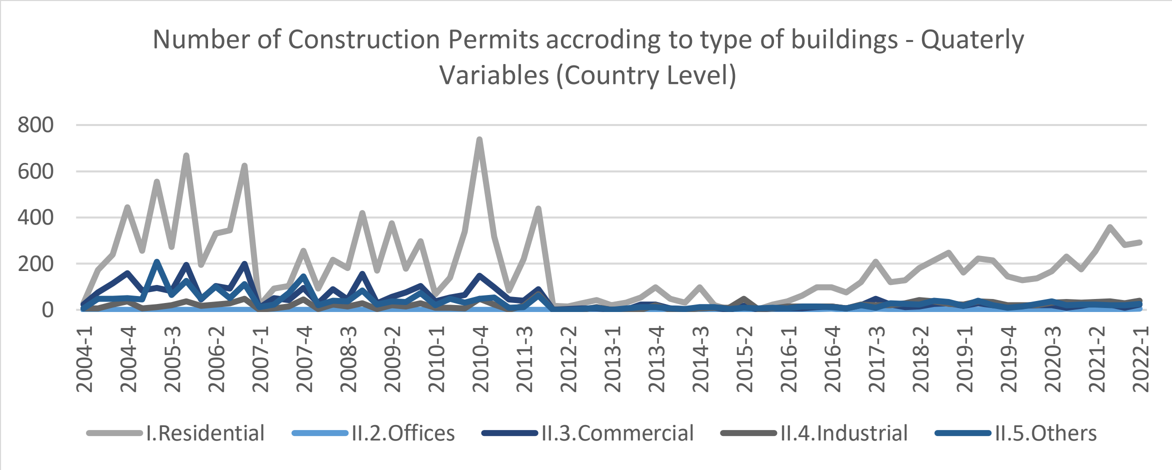

Figure 7: Construction Buildings Issued in Country Level -historical

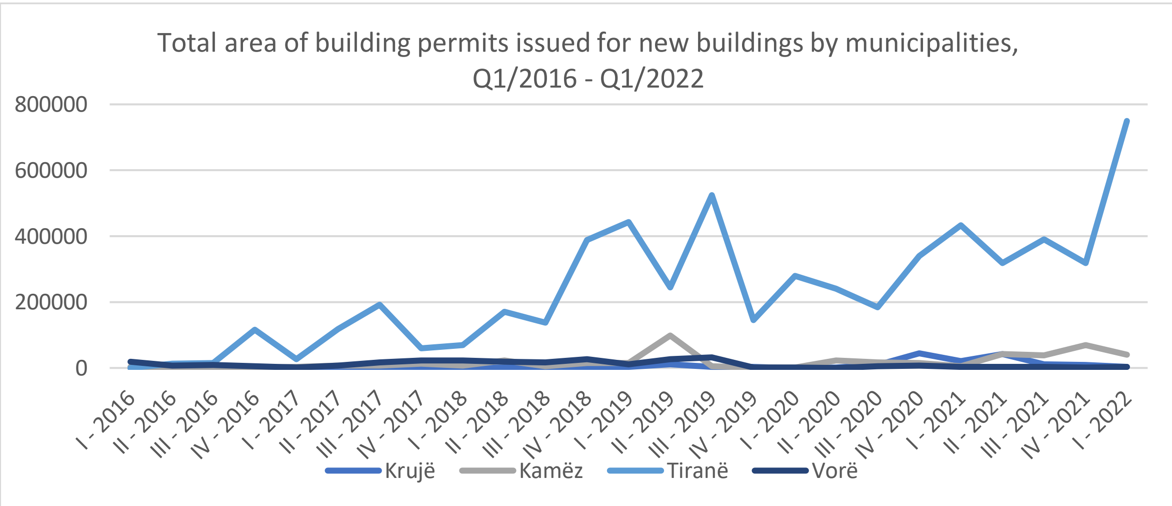

Figure 8: Construction Buildings Issued in Country/Municipality Level – last 5 years

3.4.1 Study limitations - limited access to data

Limitations of this study relate to the lack of updated information on the socio-economic data regarding the AoS (Area of Study) and lack of previous studies for this area. Reports found available online, were very general and there was no data found specifically for the municipalities/villages scope of this study. The most affected area of this study covers the municipality of Vora. Recently, the Mayor is re-elected and staff has changed during the two months (December 2020 -January 2021). Websites of Municipalities affected were not up to date with information on socio-economic aspects. Often it was challenging or even possible to reach PaPs or key informant due to Covid 19.

4. PROJECT IMPACTS

Railway Albania used the EBRD Performance Requirements to serve as the benchmark to assure that adverse impacts on people, their rights, livelihoods, culture and environment are avoided or, where avoidance is not possible, minimized, mitigated, offset and/or compensated. In specific, PR 5 addresses the land acquisition, involuntary resettlement, and economic displacement and PR 1 "Assessment and Management of Environmental and Social Impacts and Issues" and all national regulations for this purpose. Application of this Performance Requirement (PR) supports and is consistent with the universal respect for, and observance of, human rights and freedoms and specifically the right to adequate housing and the continuous improvement of living conditions.

4.1 GENERAL LOCAL PLANS (GLP)

4.1.1 Status of GLPs of four Municipalities

Tirana Municipality: Decision no.1, dated 14.04.2017 of NTC "On the approval of the General Local Plan of Tirana Municipality"

Vora Municipality: Decision no.3, dated 17.05.2019 of NTC "On the approval of the General Local Plan of the Vora Municipality";

Kamza Municipality: Decision no. 8, dated 20.12.2012 On the approval of the General Local Plan of the Kamza Municipality"

Kruja Municipality: Decision no.5, dated 08.02.2017 of the NTC "On the approval of the General Local Plan of the Kruja Municipality" and Decision no. 75, dated 10.08.2018 of Kruja Mayor "Detailed Local Plan, Structural Unit NI-UB-045".

The development permission for a given parcel can be obtained by meeting all the planning and development controls for the parcel, following the procedures set forth in DCM 408/2015. For units where a Local Detailed Plan (LDP) is required, the specifics of the development are provided in the LDP. There is only one structural unit NI - UB – 045, in Kruja Municipality for which the GLP requires a Local Detailed Plan and all the other structural units identified within the project footprints do not require LDPs.

4.1.2 Project Land Use Designation/Categories

Based on the provided information, and the land use verification as per General Local Plans (GLPs), two main categories of the affected land parcels from the Project are identified. Each main category is sub-categorized according to the GLPs' provided characteristics, features and their potential and are analysed to support selecting the valuation method/technique and determining the market value.

Information about status of Detailed Local Plans and development parameters for the affected land parcels (structural units) is requested to National Territorial Development Agency (NTDA) and respective Municipalities. Response is received from Kruja Municipality with the provisions of the LDP for Structural Unit NI-UB-045.

Identification of Land Use Categories, is performed using as source the information as per the e-map (https://akpt.maps.arcgis.com/apps/webappviewer/index.html?id=ff270e99f5be45f19c7b7a1e3e618b27).

A comparison of land uses with the records provided by State Agency of Cadastre (SAC) and the GLPs' provisions is provided in the following table.

Table 6: Land Use Status GLPs vs. SAC

Category	GLPs		SAC	
	Area (sqm)	%	Area (sqm)	%
Urban Land	18,043.50	12%	7,233.00	6%
Agricultural Land	87,798.20	59%	5,404.40	94%
State Owned	44,266.40	29%		
Total	150,108.10	100%	113,637.40	100%

4.1.3 Detailed Land Use Analysis of the Affected Land Parcels

Highest and Best Use: is defined as "the reasonably probable and legal use of vacant land or an improved property that is legally permissible, physically possible, appropriately supported, financially feasible, and that results in the highest value."

The land parcels are analysed and categorized to general use classes based on highest and best use according to the land designation and future development features provided in the GLPs.

Use restrictions imposed (not allowed activities) from the Laws and regulations are considered as well, together with the restrictions imposed from the Law no.142/2016; Law no. 9312 dt. 11.11.2004 and Order 122 dt. 13.03.2019; Decision KKT nr.1 dt 26.07.2018.

Sub-zones: along the corridor of Component B: New railway line from Tirana PTT to Tirana International Airport, 6 (six) sub-zones are identified, based on GLPs provisions. Sub-zones represent a set of land parcels that would be considered alternates in the mind of the typical buyer of such property. The sales and published data indicate similar properties are in market for similar prices.

Land Parcels assigned to each of the six sub-zones have also similarities about the physical characteristics and location, as all of them have almost the same distance from the national road going to Rinas Airport as described in Section 4.1.5.

The following map shows the six sub-zones for Kashar-Rinas component, which are bordered based on the GLPs provisions with respect to base land use categories for the structural units that project affected parcels belong. It illustrates the predominance of agricultural land uses: 12 Structural Units (B – agricultural + agricultural Economy (Land owned by Agricultural University), and only in 6 structural units the land use is designated under urban land (Industry Economy + Services and Infrastructure).

For the Component A: rehabilitation of the existing railway line Durres-Tirana Public Transport Terminal (PTT, two sub-zones no. 7 and no.8 are identified. There is only 1 private land parcel in the Structural Unit KA/131.

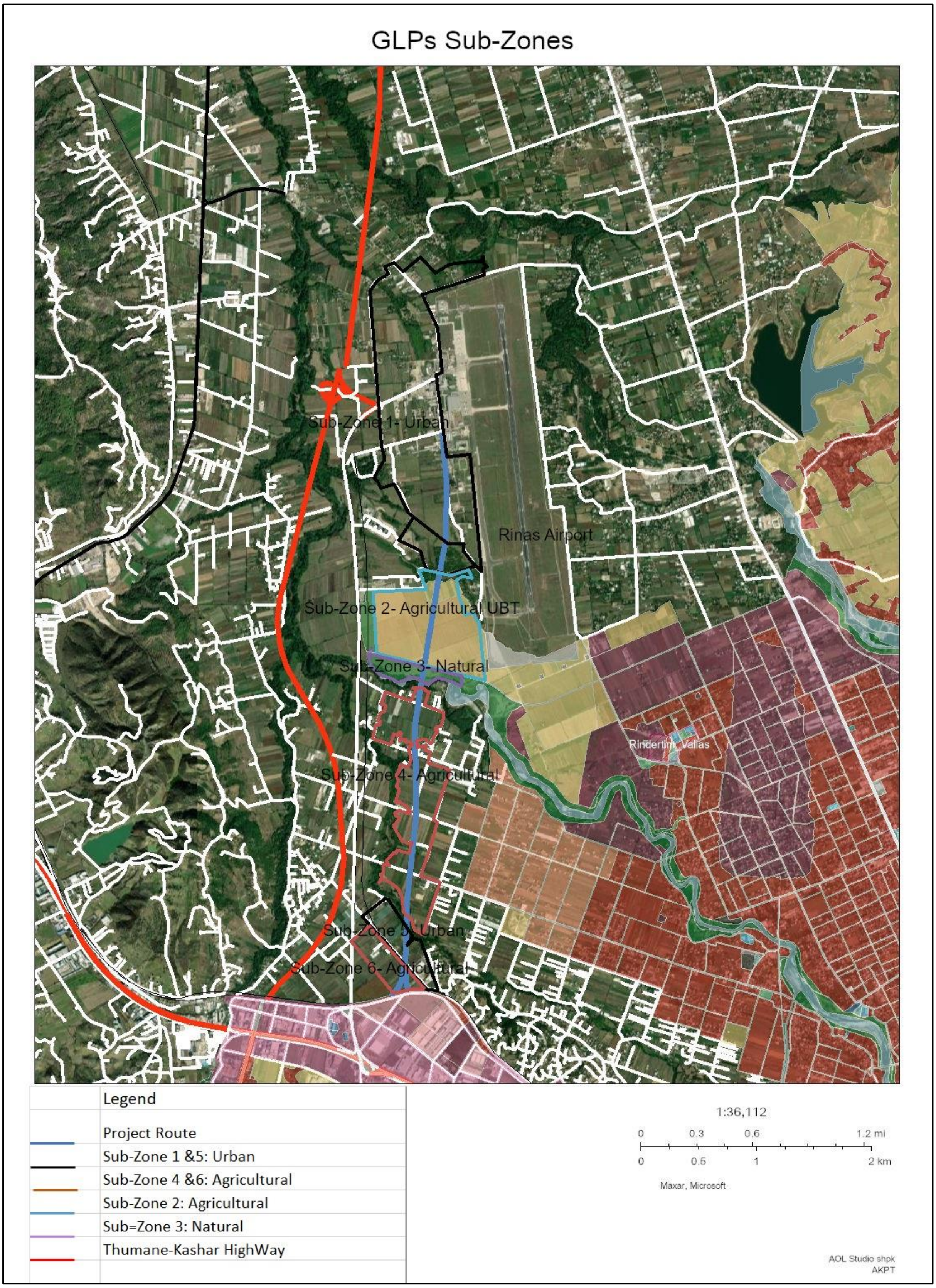

Figure 9: GLP sub-zones

Table 7: Analysis of Structural Units along the Project Affected Land

Sub-Zone	Land Use Category	Code (Structural Unit)	No of Parcels	Land Use System	Land Use Category	Sub-Category	Restricted Land Use
Component B: construction of a new railway line from Tirana PTT to Tirana International Airport (length 4.7 km).							
1	Urban Land	VO_UB_S2_1-2	1	UB_Urban	S- Services 100%	S.2_Commercial and Business Services	Industry and Economy
		NI-UB-045	12				
2	Agriculture Land	KZ_B_EB1_8/5 KZ_B_EB1_11/1	4	B -Agricultural	EB - Agricultural Economy 0% AS - Education 0%	EB1 - Agricultural Structures AS4- Education	according to Law 142/2016; Law 9312 dt. 11.11.2004, Order no 122 dt. 13.03.2019; Decision KKT nr.1 dt 26.07.2018;
		KZ_B_B2_8/6 KZ_B_B2_11/2	4				
3	Natural Land	KZ_N_N1_18/1/ KZ_N_N1_19/1	TBD	N-Natural	Natural Land	Forest	Decision no.1 dt 26.07.2018 of NTC
4	Agriculture Land	VO_B_B2_1-15	52	B -Agricultural	B -Agricultural 100%	B.2_ Seasonal Crops	Industry& Economy/ Agrotourism/ Residential
		VO_B_B2_1-54					
		VO_B_B2_1-55					
		VO_B_B2_1-53					
		VO_B_B2_1-147					
		VO_B_B2_1-80					
		VO_B_B2_1-9					
		VO_B_B2_1-83					
5	Urban Land	VO_UB_S_2-9	8	UB_Urban	S- Services 100%		

		VO_UB_S_2-7				S.1_Accomodation and Entertainment; S.2_Commercial and Business Services	Residential/Industry & Economy
6	Agriculture Land	VO_B_B2_1-128	17	B -Agricultural	B -Agricultural 100%	B.2_ Seasonal Crops	Industry& Economy/ Agrotourism/ Residential
Component A: rehabilitation of the existing railway line Durres-Tirana Public Transport Terminal (PTT) (length 34.2 km);*							
7	Urban Land	KA/168	7	IN_Infrastructure	IN. Infrastructure + S. Services 100%	N/A	According to the provisions of regulation
		KA/167		UB_Urban	k.1 = A. Residential 82% k.2 =IN. Infrastructure 13% k.3 = SH. Medical 5%	N/A	According to the provisions of regulation
8	Urban Land	KA/131	1	UB_Urban	k.1 = A. Residential 82% k.2 =IN. Infrastructure 13% k.3 = SH. Medical 5%	N/A	According to the provisions of regulation
Unknown							
	Unknown		33				

4.1.4 General data on the land affected parcels

The project-affected people (PAP) are located in the following areas:

- Municipality of Vore, with total 77 affected (private) parcels which represent 78% of total affected cases:
  - 53 (fifty-two) parcels in Berxulle
  - 7 (eight) parcels in upper Domje
  - 16 (seventeen) parcels in Domje Triangle
  - 1 (one) in Fushe Preze
- Municipality of Tirana, Administrative Unit of Kashar with 2 (two) affected cases which represent 2% of total affected parcels:
  - 2 (two) in Katundi i ri
- Kamza Municipality with 8 (eight) cases, 8% in total. There are 4 (four) parcels that belong to UBT (Agriculture University of Tirana) while other 4 (four) belong to individual owners.
- Kruja Municipality respectively with 12 (thirteen) cases with (13%) of total affected parcels.
  - 11 (eleven) in Qerekë
  - 1(one) in Rinas.

4.1.5 Key land and livelihood impact

Along the entire railway route from Domje to Rinas (see Fig 2) and Kamez the land parcels are divided and as explained above this will lead to land access restriction and also fragmentize them more. Already, the agriculture land in Albania is distributed to owners in a proportion based on the family members at the time of distribution, and it is quite fragmentized in terms of plots. So, the involuntary division as result of the project impact will for sure affect the productiveness of these parts of lands and off course the profitability. The access during construction needs to be maintained, because the planned construction time might be the same with harvesting. Project needs to take all the mitigation measures to avoid or minimize the interruption of agriculture activities at the area and support the farmers during harvesting.

Land is a critical asset for women and men, and especially for the urban and rural poor. Property rights in land whether these are customary or formal in nature act both as a form of economic access to key markets, as well as a form of social access to non-market institutions such as the household and community-level governance structures. Because of land's fundamental importance in conferring such access, it is essential that policies and processes applied for public infrastructure avoid in any way altering the distribution inadvertently disenfranchise the most vulnerable members of the target population which in this case are individual land owners that do not have the same access and capacities to claim their rights.

Sub-zones: along the corridor of Component B: New railway line from Tirana PTT to Tirana International Airport, 6 (four) sub-zones are identified, based on GLPs provisions.

Sub-zone 1: Qereke, Kruje (Status as per GLP: Urban Land)

It iincludes affected parcels in which are located at the area closed to the ***Rinas*** airport. Nearby, there is Tirana Business Centre where are located many state offices also businesses. There is private university "Epoka" and several hotels nearby. The area has a lot of interest for investment considering the presence of these companies also the proximity from the Airport. This area falls under the administration of Kruja Municipality. Based on the Decision no 05, date 08/02/2017 "On the approval of the general plan for Municipality of Kruja", this area is defined as urban development.

Sub-zone 2: Kamez - UBT (Status as per GLP: Agricultural Land)

This is where the major impact is on the land owned by Agriculture University of Tirana. The total affected area is 15.830 m2 where the surface of 10,769 m2 belongs to UBT and is cultivated with corn and the rest is owned by one family that is not living there but migrated to capital. The entire area of UBT is utilized as agricultural lab for approx. 5000 students. The plots have irrigation infrastructure. There was a specific census and economic assessment performed for these land parcels. All this area is agriculture land no urban infrastructure is allowed to be built.

Sub-zone 3: Natural Land (River Crossing)

Sub-zone 4: Berxull (Status as per GLP: Agricultural Land)

This zone stretches along agricultural lands of Bruke village with a number of private residential houses.

As seen at the *Fig 2*, the railway at KP (kp2+800 and 3+100) is crossing the area between buildings (houses) where currently are living people and also crosses a secondary village road. The distance from the centerline to each building is approx. 25m. The safety zone is respected, but HSH should make sure that the contractor has the system in place to identify relevant health, safety and security impacts and proportion mitigation measures agreed to minimize associated risks based on “fit for purpose” approach. For the above-mentioned reasons this KP is considered **priority** as such engagement needs to take place consistently pre – during and after construction to make sure that livelihood is not impacted and community health, safety and security risk are avoided or mitigated accordingly.

The reset of the area consists of agriculture lands only where in most cases are cultivated with *Alfalfa*. There is no presence of any business in this section. There is no development plan for this area, the purpose of this area is for agriculture development only.

Key affected individuals:

- The owner of the land cultivated with a very specific tree called ***Paulownia***. This is a rare tree and not cultivated commonly in Albania. HSH has already taken price references for this kind of tree and the compensation will is done accordingly (see Annex 2.3_Paulwonia Tree_Assessment Report).

Sub-zone 5: Domje (Status as per GLP: Urban Land)

Key affected owners for this project-affected area are a mix of businesses and individuals. While some of the parcels are of agricultural use, there are also some large businesses located in this section. The perspective of this area is for industrial development.

Below is a short description of the two business:

Business owners:

- Kosmote Food: Landowner has claimed during the interview that land is bought for investment purposes in specific commercial center;
- Shtepia e Birres (House of Beer): This business is not affected by land acquisition but special attention should be paid during construction. More details on the impact and PAP ‘expectations could be found at the table “Focus Groups & Key Informant Interviews”. Monitoring of Community Safety during construction and Traffic Safety Management need to be in place in order to avoid or mitigate any risks and avoid the interruption of daily business operation.

There is a road crossing at this section which needs to be managed accordingly as far as restriction of access is related. This is an important secondary road for the villages of Domje and Berxulle that connects both of them with Tirana city. Traffic Management Plan need to be in place in order to avoid interruption or mitigate it by not affecting the daily livelihood of the inhabitants and businesses operations (Kozmote Food and Shtepia e Birres are two businesses located right in front of this crossing and as such affected).

Sub-zone 6: Domje Triangle (Status as per GLP: Agricultural Land)

Domje triangle section is located at the cross section of both highway and the road to airport. This area has a big interest and attention for investment due to the proximity from Tirana, airport and other commercial facilities located closed by. Based on the Decision no.3, date 17.05.2019, "Approval of the review of the General

Plan of the Vore Municipality"/review of Decision no 22 dates 10/05/2013 "General local instrument" Municipality of Vore, District of Tirana and the decision of Agency of Territory development date 10/05/2013, No 15, area is defined as agriculture land. Considering the earthquake followed by pandemic situation, there is a kind of static situation regarding investment. All person interviewed at this area have claimed that they have bought the land for investment, even though at the moment according to the decision mention above only agriculture investment (infrastructure) is allowed.

This section is impacted materially by land acquisition, considering that HSH will expropriate the entire triangle area for the project purposes. The affected surface of land is 79,160 m2, to be expropriated 27,461 m2, cadastral zones included are 470/469/ and 544/7/3/2.

The expectations for the land compensation need to be managed through intensive engagement using transparent and consistent messages. The owners interviewed expect fair and transparent compensation.

In this section there are also two car scrapyard businesses (see Annex 2.2) which are defined as physical displacement case and need to be treated in accordance with guidelines defined at the PR 5 of EBRD that specifies that all displaced persons and communities will be offered compensation for loss of assets at full replacement cost and other assistance intended to restore, and potentially improve, their standards of living and/or livelihoods to pre-displacement levels.

For the Component A: rehabilitation of the existing railway line Durres-Tirana Public Transport Terminal (PTT, two sub-zones no. 7 and no.8 are identified.

Sub-zone 7: Kashar (Status as per GLP: Urban Land)

Next to the Kashar train station, there are two residential properties (43m2 of land /yard) that will be affected according to the new CTR's design review but no residential structure are foreseen (no physical displacement). Those properties have been recently legalized and therefore households are no longer informal. PIU support conducted an assessment report for both properties (see Annex 2.2_Assessment Report).

There is an access issue that needs to be taken into consideration during construction from CTR and a permanent solution is required after construction period. The access issue will be considered a priority by AR and will be included in the updated ESAP.

Sub-zone 8: Mezez (Status as per GLP: Urban Land)

Expropriation of an area of 7,795 m2 is required. One foreign company owns 77 % (6,010 m2) of it. This company wants to construct a Trade Centre has of it.

There is also a car wash business (see Annex 2.2_Assessment Reports) with a parking area that accommodates approximately 25 cars. It is an informal business, and the landowner is not aware of it. The employees at the car wash also declined to be interviewed.

The remainder is open space following the construction of new buildings, and no livelihood activities are discovered, but the lands are used to gather domestic and urban waste.

4.1.6 Key impacts on structures

HSH has identified few movable and immovable structures and has foreseen to reinstate them in the previous conditions in case is possible, i.e., surrounding walls; fences, and compensate where it's not possible. This should be explained to the affected persons because it is crucial to avoid any project stoppages or also disputes. Messages need to be told before the construction starts and be recorded as commitments, so PAPs get the assurance from the project in written form.

According to the survey conducted by the Project Social Team, PAPs have claimed more structures affected that were not reflected at the initial list provided by HSH as a document to support the purpose of this assessment.

The consultant accompanied by Project Social Team have visited on site all affected structures from the project and has identified as listed below at the table.

Table 8: Impacts on structures

Structure description	Where	Comments
Car Scrapyard	Domje Triangle	All area of the business will be expropriated. Case considered as involuntary economic displacement. Case explained in the above document paragraphs. Relocation is recommended prior to construction works (see Annex 2.2).
Houses	Kashar station	They are currently inhabited. People lived there since 2014. Houses are located next to the station office, in a proximity form railway centreline about few meters. The project design foresees that the front yard of one of the houses is affected and the proximity from the house entrance is approx. 0.5 meters. This is priority in terms of livelihood impact, disturbance level during construction and permanent solution after construction. It is advised to be consulted in advance of construction date and solutions to be agreed with the PaPs living there (see Anex 2.2) It's to be noted that both buildings are illegal, but as the owners claimed during interview, they have started the legalization process. PaPs have recently obtained the legalization document.
Car wash and parking	Mezes	A car wash and parking area with a capacity of approx. 25 cars will be impacted. This business is on rent parcel. Case considered as involuntary economic displacement. Case explained in the above document paragraphs. Relocation is recommended prior to construction works (see Annex 2.2).
External Wall	Domje Triangle	There are two land parcels which are fenced with an external wall. There is no other construction development present within the external wall. A specific report is prepared for compensation purpose.
Green House	Upper Domje	There is small section of a greenhouse that will be affected by the project. A specific report is prepared for compensation purpose.

4.1.7 Survey results from Area of Study AoS

Table 9: Focus group and key informant and focus groups

Activity	No. Persons	Location	Stakeholder group	Date	Key Summary
Focus Group	3	Domje	Affected business owners (Car scrapyard shop).	18/01/2021	There are 2 brothers and another family member that run this business for a period of 10 years. The main activity is storing the old cars and selling BMW spare parts. The project affects the entire surface of the area where the business is established as well as a part of agriculture land that is cultivated with potatoes. Due to the construction plans at this specific point, land owned by two brothers, will be entirely expropriated. They have re-evaluated the land as per

					the regulation in place and the main request from the owners is to be compensated for the land based on the re-evaluation rates as minimum reference price. They are open also to be compensated with land parcels in the closed area in order to re-establish the same type of business.
Focus Group	2	Domje	Business owner)	18/01/2021	Perceived Project affects are minimal, as the land is not affected and business as well. There might be risks of business interruption due to dust/noise during construction period. Proximity from the construction site is approx. 50 m. There might be advantages for this business as being closed to the construction site and as result might be a potential restaurant to be used from the construction teams.
Focus Group	5	Domje	Affected businesses owner	19/01/2021	The project should inform on details of the project construction work schedules. There is a high risk of power interruption for this facility as the main electrical cable furnishing the building is located near to the construction site. Technical teams, business representatives and project 'representatives should meet and exchange technical details for prior to, during and post construction phase to avoid or mitigate business interruption activities. Transportation during construction should be coordinated with project team and engagement should take place on regular bases. This company uses on daily bases a number of around 80 cars, and in addition, other 50 tracks visit its premises every month. Project impact overall is perceived positively. In terms of land acquisition, the Project will affect around 90m2 and this is not a serious concern for the businesses. However, any small change to the design that may be followed with change of the expropriation border needs to be carefully elaborated in time as this may bring undesired impact to the business.
Focus Group	5	Berxulle/ Bruke	Land Affected individuals	November 2020	The surrounding wall of the house is affected; in case it's technical possible to be avoided. Compensation rates to be fair and based on market prices and payments to be delivered in time.
Key Informan	2	Berxulle	LGU representatives (Agriculture	20/01/2021	The damages from the earthquake in November 2019 have been significant in this area. The most affected, were

t Interview			specialist; and civil servant at Administrative Unit of Berxulle)		houses with poor construction standards and old houses. There have been two schools before the earthquake and now results to be none of them as the earthquake significantly damaged them both. Immediately after the Covid-19 pandemic affected also this Administrative Unit. The railway is not considered an investment that the community will benefit, but the access roads that are planned to be built across the railway will significantly improve their transport means, the access to the agriculture land and will support the development of this area. Selling prices at this area have reached max 80 euros/m2 and min 60 euro during the time when the road to airport was buit. The railway is crossing mainly the agriculture land. It is noticed that in many cases the parcels are in such proportion that cause the creation of orphan lands. This will increase costs of planting, limit the land access, and make it not profitable. It is very positive that the planned route for the railway has avoided the structures such as houses, or other buildings near villages.
Key Informant Interview	1	Kamez	University Administrator	1/2/2021	The entire area is utilised as agricultural lab for approx. 5000 students. The plots have irrigation infrastructure with an investment value of 400,000 Euro. The Project will affect around 10,000 m2 of this area. There was no census done for these parcels. HSH needs to conduct the census; and provide the technical design of the route in order to be aware of the exact coordinates of the affected area.
Key Informant Interview	2	Kashar station	PAPs	2/2/2021	People lived there since 2014. Houses are located next to the station office, in a proximity form railway centreline about few metres. The project design foresees that the front yard of both houses. A couple of around 55 years old with a daughter live there and right in the front of this building their son with his family lives there and have a little hair salon. The other family is composed of 5 persons, 2 elderlies.
Key Informant Interview	1	Mezes	PAP	3/2/2021	Owner of the parking that is affected behind the new flats recently built. 1/3 of the parking is affected. It is expected fair and transparent compensation from the project.

Survey outcomes

- There are 79 individuals/businesses (unique cases) affected.
- Only 42 (8 business representatives and 34 individuals) filled the questioner. This represents 53% of total affected PaPs.
- Distribution of the questioners are:
    - Berxulle/Domje: 33 (twenty-eight)
    - Kashar/Mezes 6 (six)
    - Kamez 1 (one)
    - Qereke 2(two)
- There are 149 direct dependent persons from the PaPs classified as individuals. 82 are females, and 67 males.
- All interviewed PaPs are Albanians
- The affected area is located in proximity furthest 20 km from Tirana, and the nearest 6 km from the center of Tirana.
- In general individuals interviewed are relatively poor especially in the area of Domje and Berxulle. As for businesses impacted, they represent a quite diverse range, from small and medium enterprises to big corporates.
- There is 1 (one) family considered vulnerable which is located in Bruke .
- 90% of the affected parcels are registered and owners have provided the ownership titles
- Agriculture products and crops found to be planted at the AoS are: wheat; corn, alfalfa and fruit trees. They are used mainly for their domestic needs for themselves or for livestock.
- Land compensation expectations are high and PAPS are expecting to be compensated fairly and in a transparent manner and based on market price.
- Engagement process is expected to be from HSH;
- PAPS have never been contacted and as such they were not clear on the project impact.;
- Few structures are impacted:
    - Car wash and parking business in Mezes;
    - Two car scrapyards in Domje
    - External wall in Domje fencing two properties;
    - A section of greenhouse in Domje (35 m2);
    - Non-residential structures of two houses in Kashar station which are built right next to the railway in a much-closed proximity.
    - Alb SHa Transport in Rinas

4.1.8 Vulnerable groups

There is no single national definition of a “vulnerable group” in Albania, but for the sake of this document, we will include the definition by EBRD, where" Vulnerable groups refers to people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include people living below the poverty line, the landless, the elderly, women and children headed households, refugees, internally displaced people, ethnic minorities, natural resource-dependent communities or other displaced persons who may not be protected by national and/or international law".

According to the above definition, there is one family that is affected by the project which is considered vulnerable. The interview with them was basic. The project needs to treat it not as a business-as-usual case because they are not able to communicate normally and not able to defend the land or other human rights. There are 5 persons in the family, 4 males and one female. The land is registered under the head of the family.

This family has already obtained the cadastre-registered certificate and requires no assistance in this process. The family will be compensated for land and crops and trees, etc like all other PAPs. The compensation value has already been included in the Entitlement Matrix / Compensation Budget. Furthermore, during the expropriation process, HSH will carry out additional efforts during engagement by inviting their close relative (their uncle) and the representative of Administrative Unit in order to support the process.

Having said the above, additional survey will be carried out by HSH in order to determine in the more specific way the type and nature of assistance to be provided to this vulnerable family.

The entire expropriation process and impact on this family will be monitored by HSH and addition assistance measures will be sought to restore, and potentially improve, their standards of living and/or livelihoods to pre-displacement levels. HSH will provide further details regarding this case during the LALRP monitoring reports.

4.1.9 Socio-economic Impact of Covid 19

COVID-19 as health crisis had a significant socio-economic impact on the entire society. Still reeling from a devastating November 2019 earthquake, Albania was faced with two back-to-back shocks that are likely to cumulate into severe economic and social hardship for the country, as well as more restricted fiscal space, in the context of dwindling global financial resources. The AoS have been affected from the earthquake. Many buildings were damaged in Berxulle, two schools included.

This global crisis is challenging the existing governance models and amplifying the necessity to put citizens and resilience as core ingredients for institutional development and economic growth. Caring for the most vulnerable, maintaining and ensuring access to equitable service delivery, addressing the digital divide, experimenting with alternative working options, and providing uninterrupted basic services for the most affected population be among key challenges to overcome for increased resilience to shocks.

The shutdown of several public services first hit the marginalized and vulnerable groups, who already had difficulties in accessing such services and are less reachable by communication channels. With all schools nationwide closed, and although alternative online learning options were adopted, these closures of educational facilities had an impact on the quality of learning, especially on most of the vulnerable groups who lack connectivity and adequate equipment for online options. It is very evident in the AoS as there is lack of infrastructure to support online school. Households also needed to adjust to new childcare responsibilities, with added extra burdens especially for women. The adoption of social distancing and forced confinement also became a real threat to social cohesion and a challenge to usual social norms, which in turn places significant psychological burden on individuals, and affects individual behavior, well-being, and mental health.

Please refer to the Fig. 7 for data received from the survey conducted where the individuals of AoS were asked on the area/level affected by the pandemics.

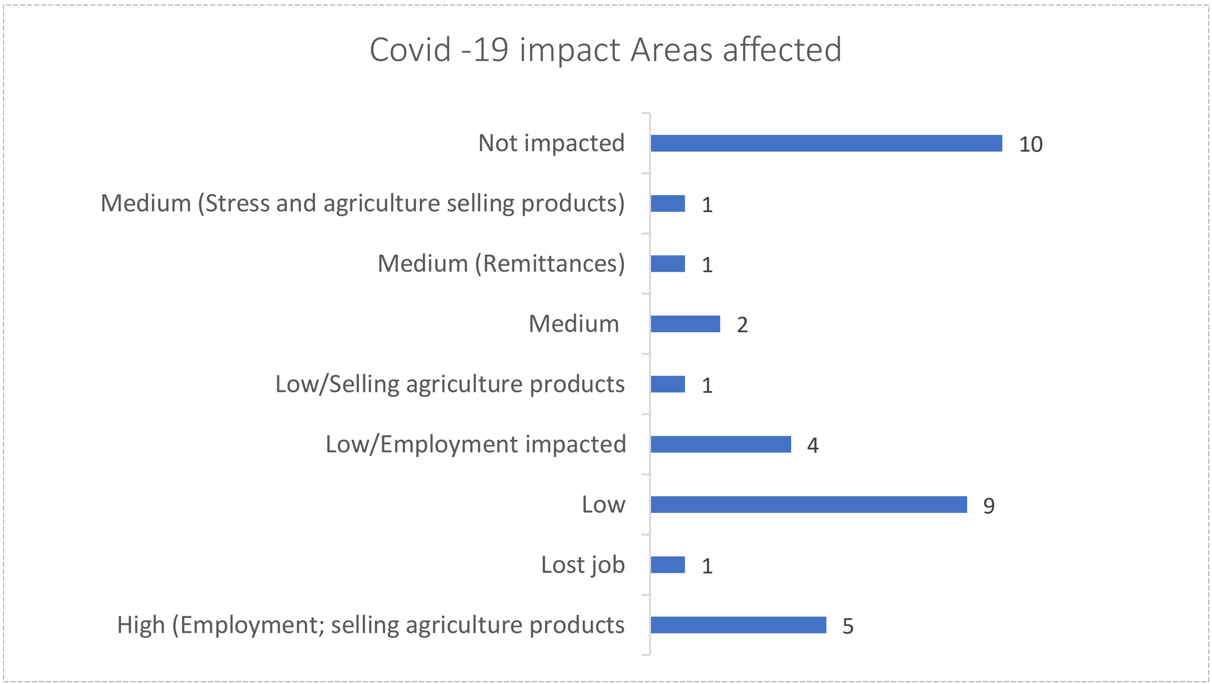

Figure 10: Covid 19 impact on Project Affected People (PAPs)

5. KEY LAND ACQUISITION / COMPENSATION PRINCIPLES AND ISSUES

The following principles of land acquisition and compensation have been committed upon by MIE, and shall be adhered to during Project implementation:

1. **Any involuntary land acquisition of property or restriction of access to assets** will be conducted in compliance with the applicable legislation in Albania (in particular, the *Law on Expropriation*), the LAF for the Project, the EBRD Environmental and Social Policy 2019 and its Performance Requirement 5 (*Land Acquisition, Restrictions on Land Use and Involuntary Resettlement) and* good international practice. In case of any inconsistencies between national legislation and EBRD requirements, the higher standards will be adopted.
2. **Involuntary resettlement will be avoided where feasible, or minimised**, exploring all viable alternative project designs. To the extent possible, amicable negotiations and agreements with Project Affected Persons will be sought.
3. **All affected persons will be informed**, **meaningfully consulted and encouraged to participate** throughout the land acquisition process, in accordance with the information disclosure and consultation requirements set out in Chapter 7 of this LALRP.
4. MIE will make maximum efforts to conclude **negotiated settlements** with PAP in order to avoid expropriation. Such efforts will be documented.
5. **Valuation of properties will be conducted by MIE's State Agency of Expropriation. In order to ensure objectivity, all valuation calculations will be confirmed by one expert from the Agricultural University of Tirana and one expert from the NGO "For Sustainable Rural Development"**. Both formal and informal assets will be valued.
6. The **cut-off date** for the establishment of eligibility will be the completion of census and assets inventory (CAI) finalized in January 2021. Furthermore, the cut-off date will also be included in the MIE's publication of the request for expropriation in the Official Journal, in a newspaper which is delivered throughout the country as well as in a local newspaper for a period of one week, informing all owners and users of the initiation of the expropriation process, the cut-off date and the contact persons who may be contacted by PAPs for further information. The cut-off date will also be disclosed at consultation meetings. Any persons who settle in the Project area after the cut-off date will not be eligible for any

compensation, but will be given sufficient advance notice, requested to vacate premises and dismantle affected structures (if any) prior to Project implementation. Their dismantled structures materials will not be confiscated and they will not pay any fine or suffer any sanction.

7. All owners or users of affected property at the time of the cut-off date will be **compensated at full replacement value in cash**, which is calculated as the market value of the property. **Compensation will always be affected prior to land entry or taking of possession over property** by the expropriation beneficiary. Issues related to **payment of cash compensation will be discussed and agreed with owners and all affected members** of households. Cash compensation will be paid in full or in instalments as agreed with the owners and affected members of the households and as defined by contracts, to the bank accounts specified by the owners, with agreement of all affected members of the household. In cases where there is more than one owner of property (i.e., co-ownership of married couples), compensation amounts will be divided and paid to the bank accounts they specify.

   In the case of **absentee owners** (e.g., people with legal rights to the land but who are living elsewhere), they will still be eligible for compensation and MIE will make and document its efforts to find them and inform them about the process. These efforts may include efforts to reach them through their neighbours, publication of an advertisement in newspapers informing about the process, etc. If they cannot be found, and in accordance with local requirements, the compensation amount must be allocated in an escrow account and be readily available should the absentee owner reappear.

   In case there any legal issues related to the ownership of a property, the compensation amount must be allocated in an escrow account and be readily available once the legal issues related to the ownership have been resolved.

8. Construction related activities will be organised in a way to avoid or minimise economic displacement, i.e., by ensuring that access will be retained to local land uses. Any short-term impacts related to **temporary occupation of land** for construction purposes will be compensated in accordance with the Expropriation Law, as well as in accordance with EBRD's requirements of for any informal owner/users affected by such temporary land occupation, as stipulated in the Entitlements Matrix in this document.
9. The **livelihoods and standards of living of affected persons shall be improved or at least restored** to prior conditions or to levels prior to the beginning of Project implementation, whichever is higher, in as short a period as possible. **Assistance for livelihood restoration** (where applicable) will be identified and provided by MIE in cooperation with the Regional Agriculture Directorates on a case-by-case basis (e.g., assistance to identify and access other income/livelihood generation activities, assistance to access training, skill development, job opportunities, agricultural development support, etc., identifying improvements which could help affected PAP to increase their yield and income on land).
10. Access to information and assistance for **vulnerable persons/households** will be facilitated by MIE and support of Albanian Railway according to their specific needs, on the basis of case-by-case screening to be carried out with support from the Ministry of Health and Social Protection.
11. An effective **grievance mechanism** will be in place for receiving and addressing in a timely fashion specific concerns about compensation and relocation raised by displaced persons, in the manner described in more detail in Chapter 8.4 of this LALRP.
12. MIE will **monitor the implementation of the land acquisition and livelihood restoration processes** through official institutional arrangements in the manner described in more detail in Chapter 8 of this LALRP. All transactions to acquire land rights, as well as compensation measures, relocation activities and resettlement assistance will be documented.

Replacement Cost for Land:

With regard to land, the replacement costs are defined as follows:

Agricultural land – the market value of land of equal productive use or potential located in the vicinity of the affected land, plus the cost of preparation to levels similar to or better than those of the affected land, and transaction costs such as registration and transfer taxes.

Land in urban areas – the market value of land of equivalent area and use, with similar or improved infrastructure and services preferably located in the vicinity of the affected land, plus transaction costs such as registration and transfer taxes.

Replacement Cost for Assets:

The rate of compensation for lost assets should be calculated at full replacement cost, that is to say, the market value of the assets plus transaction costs.

Market Value

The valuation will be determining the market value for the affected properties. Referring to the common guidance-definition of TEGOVA the Market Value, is: "*The estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller acting independently of each other after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion".*

Market Value will be determined in the context of real estate, and the "highest best use" of affected lands, including interests and rights in land and buildings, thus the legal, physical, economic and other attributes, of the properties will be analysed and considered in the valuation of the affected land.

The valuation will be determining the market value and then the "replacement costs" for the affected properties, will be calculated from the HSH accordingly, by adding any other costs or fees as per compensation entitlement matrix.

6. ENTITLEMENTS AND COMPENSATION

6.1 COMPENSATION METHODOLOGY FOR LAND (URBAN AND AGRICULTURAL)

Law No. 8561, dated 22/12/1999 "On expropriation and temporary use of private property for public interests" (amended by law no. 20/2016, dated 10/03/2016), in Article 2, paragraph 2, states the following: "*The right of expropriation and temporary use of private property is exercised in the benefit of a public interest that cannot be achieved or protected otherwise, except for reasons and in compliance with the procedures expressly defined in this law, to the extent necessary to achieve the purpose of the expropriation, and in any case, with a just compensation "*, This law is based on Article 41 of the Constitution, paragraph 41/4 "*Expropriations or those restrictions of the property right that are equaled to expropriation, are allowed only in exchange for a fair compensation"*

6.1.1 Valuation Methodology

The following identifies the procedures conducted in the process of collecting, confirming, and reporting the data used to prepare a valuation which meets the requirements of both Albanian Legislation and EBRD. Procedures contained in this report are considered the most appropriate for the type of properties and valuation assignment.

6.1.2 Research Data and Collection

General Local Data are presented to give a context of the development and trends in the affected Municipalities.

Project Specific Data

- Project footprints, showing all the project facilities and land needs;
- Cadastral information for the project affected properties and ownership information (maps and legal status;
- Project land use and designation in accordance with General Locals Plans and Detailed Local Plans, where applicable.

- *Market Data* – sales and listings/published offers for similar properties in the project area/location (Municipalities, administrative units and villages)

Formal structured requests are sent to several public and private entities, to collect the relevant market data, which analysis is used to support developing the valuation approaches, as listed in the following:

- Regional offices of Regional Agencies of Cadastre of Tirana and Durres are asked to provide the transaction records occurred in the cadastral zones crossed by the project.
- Publications from Real Estate agencies are consulted and a publication map price is prepared for the records of occurred transactions (purchase or rent agreements)
- Data from Tirana Agricultural Regional Extension Agency (AREA) with regard to the Agricultural Land, including land (soil) categories, historic and current crop structure, costs and income for cultivated crops, etc.;
- Rent Data from business operators in the study area about the rents;
- Data from respective Municipalities with regard to the sales and rents agreements administered from their different departments (Territory Development Departments, Local Tax Directories);
- Data from the respective Municipalities about the approved Detailed Local Plans and Developing Permits granted within the territory of project affected land parcels;
- Websites of the Municipalities, Bank of Albania, INSTAT and other official sources are consulted with regard to market conditions, the development trends in the project area, interest rates and yields, construction costs and index, etc;

6.1.3 Valuation Analysis

Following the data collection, the analysis of data is performed to assess the applicability of the valuation methods. Specific Methods and Techniques are determined based on the land designation, data/information collected from reliable sources and their examination, using the experts' experience and previous similar valuation studies.

The Comparative Approach is the primary approach to be used for categories of the affected properties. Wherever the information on baseline of the sales data and listings in the market is limited and does not provide sufficient data, and cannot be used as evidence in respect of comparable properties in the market, alternative methods are selected and used.

- **Market Comparative Approach**

The most transparent way to determine the urban land market values is by using the Market Comparative Method, whereby the actual price at which land transactions occurred are registered to the State Agency of Cadastre and are available to be consulted as reference data points. The occurred transactions data for similar properties is analysed, followed by adjustment of the unit values taking into account the differences between the comparable properties and the subject properties.

In addition, to compare the values arrived from the sales comparison, the listings published from the Real Estate Agencies with regard to the similar properties' prices and rents, are collected and analysed as well.

A database with all the information obtained from both sources is created and further analysis was conducted to select the relevant comparable records of both occurred transactions and listings. The analysis was performed including the following characteristics:

- Location of market data as compared with the location of the property to be valued;
- The time factor, i.e., the time that has passed between the transaction in respect of the comparable property and the date of valuation. In principle the most recent transactions provide the best comparable evidence;
- The number of transactions recorded for the areas;
- Characteristics and development potential;

Application of Market / Sales Approach:
The process of deriving a value indication for the subject property by comparing similar properties that have recently sold with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market derived elements of comparison.

Market Area: the research to collect sales and listings data is extended to the whole administrative units' territory and listings. The information received is recorded in the database for further analysis for both sale data and unsold land parcels and both ratios are considered in the study.

Analysis of collected data is performed with regard to location and legal characteristics (zoning designation). The data are grouped and in reference to the sub-zones and served as comparable data for the affected parcels within each of the sub-zones.

The information about the transaction's terms (financing, condition of sales) was not available thus they are not part of the analysis.

Comparable selected are the most recent (year 2022) sales and listings of similar properties considered appropriate for the analysis. The comparison Unit is Price in Euro per s.q.m. The sale prices in Albanian Lek are converted in Euro using the exchange Rate 1 Euro- 120 ALL.

Sales and Listings Data have been recorded in excel database and analysed with regard to their development potential/features using the LGPs provisions and e-map and data sheets provided in the Annexes. There are some cases where the exact location could not have been identified thus the Code of Structural Unit is missing in the table.

For each of the 8 (eight) subzones are selected and considered for comparison only the sales and listings data for the properties with the same or high degree of similarity to the properties subject of valuation (Project Affected Parcels).

- **Development Method (Residual Value) for Urban Land**

The Development Method (Residual Value) for Urban Land determines the value of affected urban land parcels designated for urban development according to the development criteria and features approved by General Local Plans.

The land value using Development Method is calculated by deducting the value of the completed development minus costs of development, including developer's profit.

Residual Land Value = Gross Development Value – (Development + Developer Profit)

The development scenarios are based on:

The characteristics of the existing developments structures in the affected areas will be considered when applying the development scenarios with regard to the types of structures which could be developed (residential single houses or building with apartments or commercial structures) and as well the provided planning aspects/parameters (land use coefficient and intensity of the development structures) as defined in the GLPs.

The 'Gross Development Value' of the development scenario, is estimated as sales market value for residential developments or rental market value for commercial development, of the completed development.

All "Development Costs" that will be incurred in putting the property into the form are deducted from this 'Gross Development value'. These costs include: design costs, infrastructure works, construction costs, professional fees, agency fees and the interest costs of financing the development. In addition, the developer's profit is deducted from Gross Development Value.

The compensation values calculated in this way would, by definition, reflect the "market value" of the land, and would reflect the required "replacement value" once all Transaction Costs associated with the transaction/compensation are included.

We have explored the application of this method to have an indication and insights into the value for immediate development of the land subject of the valuation study. Data on rents and costs have been collected from private entities operating commercial real estate similar with the GPLS' designated developments for the affected land. The outcome of the residual value method indicates that with the current rent prices, market demand for commercial real estates (occupancy level of existing commercial properties), the current construction costs, permitting and professional fees, and other costs associated with a new development, buying and developing land in the project area is not profitable investment. This method is not used in this valuation study.

- **Net Profit Capitalization (NPC) for Agricultural Land**

For the evaluation of the agriculture land is proposed to be used the Net Profit Capitalization (NCP) method, due to not sufficient comparable market data. The principle of this method consists in calculating the annual profit by the land on which basis the price can be estimated using the method of profit capitalization. The profit is calculated based on the crop production /yield, the cost of producing it, incomes per surface unit.

The basic indicator for calculating the value of agricultural land as well as compensation values for annual and perennial crops is the potential yield of plants, which varies for agroclimatic areas within the project. As a rule, the agro-productive potential of a land is shown in the yields realized on it.

The potential yield is impacted from soil fertility, climatic conditions and applied agricultural plant technology. Since these factors are almost uniform within an agroclimatic zone the potential yield of a certain plant is expected to be different for different agroclimatic zone.

The structure of agricultural crops with optimized capability and suitability, which are traditionally and currently cultivated in the area is considered in the valuation process.

The profit (net) for unit of arable land is calculated the structure for 1 ha of land for all crop types, their yield and the production for unit surface unit: the incomes (product x market price), costs and net profit (incomes – costs = net profit). The Net Profit is calculated as sum of net profit for each individual crop and multiplied by the percentage of the crops in the respective area.

Data on expenditures are collected for each crop from RAEAs and on each administrative unit/village. The average net profit serves as values averaged for each agro-pedologic zone.

The land price is estimated based on the net profit value capitalization (lands of the first category). This estimation is based on the economic rationale that an ex-owner, should ensure a sale price for its land so that if the pertinent amount is placed in a bank with an annual interest rate should be equal to the net profit that the land could generate from the agricultural production.

Treasury bond rate is to be used because it is stable in the loan market. A 5-years Treasury bond interest is closer to the agricultural business cycles. Moreover, it is foreseeable in terms of development compared to a longer period (i.e., 10 years) as various adjustment coefficients (see step VII below) may change due to investments in infrastructure (road, irrigation, drainage), crop structure, prices, etc.

Land price fixing for 1st category of land is based on the net profit obtained from an optimized crop planting structure. Profit is the weighted average profit of each crop that is part of the structure according to the "weight" that occupies a unit area equal to 100%. The mean value of treasury bond interest for 5-years will be as per the officially published data from the Bank of Albania.

Land Price for other lands (soils) categories is estimated using a reductive percentage (or reductive coefficients) based on their agronomic potentials. Differences in production (yields) are due to different production capabilities, which are calculated as average yields in the field and experimentally.

Irrigation coefficient: The coefficients of influence of the water factor according to the categories of non–irrigation soils compared with the irrigation soils varies from 0.6 to 0.9.

Other adjustment Coefficients: In addition to the qualities analysed above, land value is significantly influenced also by the following factors:

- distances from urban, industrial or touristic centres,
- economic and social development of the area,
- the development perspective, and
- intensity of land use that considers land use in the period within the agricultural year (September-August). The number of agricultural crops within the year varies from 1 to 1.5 according to agroclimatic zones. It is understood that areas with higher suitability, in coastal areas, have higher utilization rates and vice versa.

Based on Net Profit Capitalization (NPC) valuation method for Agricultural Land is 1,660 ALL/m2 or 13.84 EUR/m2.

- **Comparison / Residual Value Method for Agricultural Land**

Given the fact that the closer is an agricultural land to urban land, the less reliable becomes the NPC valuation method, an alternative method is required to seek fairer compensation. Consideration of the Comparison Method is deemed suitable to get closer to the market value of the agricultural lands. Given that Zone 1 and 5 of the Project area are deemed urban land as per local development plans, the vicinity of the Project's remaining agricultural land (Zone 2, 4 and 6) to the most dynamic development area in the whole country (Albania), will create pressure in changing the land category that will be hard to resist in the future.

Also, international valuation literature suggests that in appraising agriculture land in areas close to sub-urban areas, greater care is required in determining the Market Value due to the pressure that the developed area exercises to the market prices of agriculture land (as land that has potential to be converted into urban land). To judge the market value of farmland in transition properly, the history of the surrounding area should be known. Economic trends may influence the rate of land conversion from farm uses. In estimating the market value of farmland in transition zones, a thorough highest and best use analysis is needed (Land Valuation – Adjustment Procedures and Assignments by James H. Boyking, PhD, MAI, SREA, CRE, published by Appraisal Institute).

The European Valuation Standards (2020) specify that for "vacant land that is ripe for urban development", the Residual Value method should be applied to arrive at the Market Value. The Residual Value method comprises the estimation of the "Gross Development Value" of the site deducting all the cost (design cost, construction cost, infrastructure works, etc.) to put the property into the form that commands the Gross Development Value resulting fair Market Value of a property that is not fully developed but is deemed "ripe for development".

To be able to confirm the above ratio of agriculture land price / urban land price, reference is made to international benchmarks in three Balkan countries (Bulgaria, Romania, Serbia) of typical ratios between the value of urban land and the value of neighbouring agricultural land in suburban contexts close to their capital cities.

		Sofia	Bucharest	Belgrade
Agricultural Land	EUR/m2	72.3	80.0	57.0
Urban Land	EUR/m2	195.0	198.1	134.3
Agriculture / Urban Land Ratio		*37.1%*	*40.4%*	*42.4%*
Average Urban Land price concluded (LALRP Report)	EUR/m2	50.0	50.0	50.0
Implied Agricultural Land Unitary Price	**EUR/m2**	**18.5**	**20.2**	**21.2**

Source: Deloitte Market Research

The average ratio is 40%, which is also generally in line with ratios in Turkey and in other suburban areas of Serbia such as Nis and Novi Sad. These proven market results correspond to a required period of 15-20 years for the development of these agriculture lands using time value of money.

Urban land is valued in the Tirana – Rinas area at 45 EUR/m2 in Zone 1 and 55 EUR/m2 in Zone 5. Taking into consideration the future perspective of project areas a ration of 40% of 45 EUR/m2 will be applied for Zones 2 and 4 which have less urban pressure and a ratio of 40% of 55 EUR/m2 will be applied to Zone 6 which has a higher urban pressure. Zones 2 has large presence of agricultural land owned and administered by Agricultural University of Kamza and the status of agricultural land will remain the same for the anticipated future although this is located not far from Rinas Airport. Zone 4 is located between the natural geographic barriers of Tirana and Lana rivers which reduces the pressure for urban development for the anticipated future. Therefore, the compensation rates for agricultural land plots of Zone 2 and 4 is 18 EUR/m2 (40% of 45 EUR/m2).

Having said the above, the situation is not the same for Zone 6 which is located between Zone 5 (having the status of Urban Land as per local development plan) and the industrial area along the Tirana-Durres motorway. Although according to local development plan, the land parcels at Zone 6 retain the agricultural land status, the urban pressure is more obvious. Therefore, the compensation rates for agricultural land plots of Zone 6 are 22 EUR/m2 (40% of 55 EUR/m2).

Based on the above analysis of comparison method, HSH has considered the compensation rates for agricultural land as follows:

Table 10: Summary Table for compensation rates of land based on compensation methodology

Sub-Zone	Land Use Category	Code (Structural Unit)	No of Parcels	Unit Price (EUR)	Unit Price (ALL)
1	Urban Land	VO_UB_S2_1-2	1	45	5,273.10
		NI-UB-045	12		
2	Agriculture Land	KZ_B_EB1_8/5 KZ_B_EB1_11/1	4*	18	2,109.24
		KZ_B_B2_8/6 KZ_B_B2_11/2	4	18	2,109.24
3	Natural Land	KZ_N_N1_18/1/ KZ_N_N1_19/1	TBD		
4	Agriculture Land	VO_B_B2_1-15	52	18	2,109.24
		VO_B_B2_1-54			
		VO_B_B2_1-55			
		VO_B_B2_1-53			
		VO_B_B2_1-147			
		VO_B_B2_1-80			
		VO_B_B2_1-9			
		VO_B_B2_1-83			
5	Urban Land	VO_UB_S_2-9	8	55	6,444.90
		VO_UB_S_2-7			
6	Agriculture Land	VO_B_B2_1-128	16	22	2,577.96
8	Urban Land	KA/131	2**	60	7,030.80
	State Land		42***		
		Tot No. Parcels	141		

Notes:
* Land belongs to State Entity (Agricultural University) – to be confirmed the compensation regime. Usually for the project of public interests, the state-owned land is not compensated and it is not part of the compensation budget.

** Tentative Rate to be confirmed with the sales data pending State Agency of Cadastre response.

*** Land Parcels identified as State Owned (roads, ditches etc)

6.2 COMPENSATION FOR UNVIABLE LAND

Unviable land refers to agricultural land remaining after partial expropriation of land, which is too small in size to make cultivation economically profitable. In case where the land owner assesses the plot remainder as unsuitable for further agricultural use or in case where the land plot would lose its access road, the owner can apply for expropriation of the whole plot. Such situations are to be assessed on an individual basis by MIE, based on the following principles:

- Size, dimensions and shape of the unviable part of the plot;
- Agricultural potential of the remaining part of the plot compared to that of the expropriated part;

- Access restrictions;
- Size and nature of mechanical equipment typically used for cultivation on this plot and whether such equipment reasonably can be used given the size, shape and dimensions of the unviable part of the plot;
- Potential restrictions to irrigation or drainage during the construction period.

Accordingly, the criteria for determining an unviable land include:

A) Cases when land plots are accessible and have irrigation and total land areas is more than 2,500 m2 in total:

1. when the width of the remaining parcel is less than 5 m, as it cannot be mechanized;
2. when the size of the remaining square plot is less than 500 m2;
3. when the size of the remaining rectangular plot is less than 600 m2;
4. when the size of the remaining triangular plot is less than 800 m2;
5. when the size of the remaining plot of irregular shape is less than 1,000 m2
6. when the size of the remaining plot is less than 1000-1500 m2, but where a drainage or irrigation canal passes in the middle, making the land unsuitable for use;

B) Cases when the remaining plot of land is not accessible due to the project footprint. Typical cases are when the remaining part of the plot has a significant surface, but the project footprint has blocked the entrance to the plot, making all the remaining area unusable: the technical solution is providing an access road for these plots;

C) Cases when more than 70% of the plot surface is affected by the project footprint and the remaining part (30%) is less than 2,000m2.

D) Cases when the remaining area (independently of the size of the surface) is next/adjacent to the same ownership, who can merge/join the two plots in one, will not be classified as unviable land.

Compensation for unviable land, once recognised such, will be based on the same entitlements as the main affected piece of land as presented in the Compensation Matrix table (column 'Unviable Land').

Any other situation deemed unviable by a landowner will be reviewed based on a claim to be lodged by said landowner through the grievance mechanism, which will be reviewed in the field on a case-by-case basis as per the grievance management process.

6.3 COMPENSATION FOR CROPS AND TREES

During the acquisition of land, valuation of land will include all annual crops, perennial crops and trees, regardless of their development stage.

To the extent possible, land acquisition and land entry will be scheduled so that any standing annual crop can be harvested before the land is taken from the land owner or user. Annual crops that are harvested before land entry shall not be compensated for.

All trees, perennial crops and annual crops (that cannot be harvested prior to land entry) shall be compensated for at full replacement cost. Any trees or crops damaged by construction works shall also be compensated for at full replacement cost.

HSH in collaboration with Regional Agriculture Directorate of Tirana have performed a joint census inventory of all crops and trees and all documents are signed by Agency's representative, HSH Expropriation Expert and PAPs.

In line with nationally accepted methodology, the formula for calculation of the compensation amount for <u>annual crops</u> is as follows:

*Replacement Value = Annual Profit * Number of Years*, where:

Annual Profit = Revenue – Expenditures, and Number of Years was equal to 1 or 2 depending. It was equal to 1 if the land was permanently acquired. It is equal to 2 if the land was temporarily leased as the lease period was for 2 years; and
Revenue = "Yield" multiplied by the "Market Price"
"Yield" based on an optimal scenario for every annual crop, whereby each farmer takes an average of the best yield for 3 out of the last 10 years.
"Market Price" based on market price information collected from this region annually.
"Expenditures" for each crop based on the optimal scenario.

Below is the table providing an assessment for compensation costs for crops based on the information provided in June 2022 by the Agriculture Directorate of Tirana (see Annex 2.1.2.2_Incoming Correspondence from AREB Authority on 15.6.2022) which is used for land valuation purpose. ed by AOL Studio. This assessment is in line with "at full replacement cost" principle.

Crops	**Yield (kv/ha)**	**Sale price (kv/ha)**	**Income (ALL)**	**Cost (ALL/ha)**	**Net profit ha (ALL)**	**Net Profit sqm (ALL)**
Alfalfa	250	2,000	500,000	95,000	405,000	**40.5**
Maize	70	3,500	245,000	86,000	159,000	**15.9**
Wheat	60	3,500	210,000	123,000	87,000	**8.7**

Inventories from crops include alfalfa, wheat, maize, mixed crops and trees, fruit trees, and paulownia tree are provided separately at Annex 2.3 of this document.

Given that the inventory for crops is performed in April 2019 based on the Detailed Design document in 2016, HSH has reviewed the compensation values of crops for each PAP based on the revised land area to be expropriated as per updated Final Design of Construction Worker INC approved in November 2021. Since the compensation value is based on sqm reference, HSH has deemed such compensation approach still valid and fair.

In line with nationally accepted methodology, the formula for calculation of the compensation amount for perennial crops is as follows:

Full Replacement Cost = Annual Net Profit + Replanting Costs + Maintenance Costs during Re-establishment + Missing Profit (a function of the age of the affected tree and therefore the number of years of missed profit until a new tree attains the same level of production as the lost tree) + Transaction Costs, where

Annual Net Profit = Income – Expenditure
The income is a function of the "Yield" multiplied by the "Market Price" for the specific crop.

Values for "Yield", "Market Price" and "Expenditure" for perennial crops will be obtained through consultations with experts at the Regional Agricultural Directorates (RADs); reference to annual publications published by the Ministry of Agriculture and Rural Development (Annual Statistical Book, Technical Criteria for the Introduction of Fruit Trees, Technical Papers), etc.

Compensation rates for trees shall be calculated in compliance with the full replacement cost principle, whereby the compensation rate C for one tree is determined by application of the following formula:

$$C = V \times D + C_P + C_L$$

V - average market value of the produce of one tree for one year
D - average period of time required to re-establish the tree to an adult production level, in years
C_P - cost of planting (seedling, soil preparation, initial fertilization)
C_L - cost of the labour required to maintain the crop during the period of time needed to re-establish it to its previous production level

The calculated unit rate C is then applied to the whole plot assuming either an average density or based on the precise count of all standing trees.
Compensation rates will be generated for the following stages of plant (tree) development:

- seedling,

- young plant, not productive,
- young plant, productive, and
- mature plant.

Unlike perennial fruit plantations, which can be harvested over a long period of time, most commercial timber tree species are yielded only once, as is the case with annual crops. The replacement cost shall therefore be in line with the provisions of the Entitlements Matrix of this LALRP. If an affected commercial forest cannot be logged before land entry, the compensation principle will similar to that described for annual crops, taking consideration of the market value of the lost timber.

Based on all Census Inventory, the Regional Agricultural Directorate of Tirana has applied the formula which takes into consideration the type and age of each tree and it is line with “at full replacement cost” principle. This assessment is also confirmed by AOL Studio. All assessment forms are attached in Annex 2.3 of this document.

6.4 COMPENSATION FOR RESIDENTIAL / BUSINESS STRUCTURES

Since MIE is not able to provide replacement land, monetary compensation at full replacement cost[2] will be provided for land and structures (residential and auxiliary structures such as fences, irrigation systems etc.).

Cash compensation for land will be provided at replacement cost, i.e., the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. These costs are included in the relocation costs as outlined in the Assessment Reports submitted by the licensed expert. For further details, information is provided in the Entitlement Matrix (column Relocation Costs and Transfer Tax).

All structures will be compensated in cash at full replacement cost, i.e., the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not to be taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. It also includes costs for levelling or other preparation for new construction or use.

Compensation rates for affected structures are updated as of Sept 2022 to reflect the current market conditions regarding construction materials cost. Construction material index (excel sheet) is provided in Annex 6 of this document.

Compensation will also be provided for any damages caused by construction activities.

6.5 COMPENSATION FOR BUSINESS-RELATED LOSSES

Businesses that need to be relocated will be compensated for:

- monetary compensation at full replacement cost for commercial structures and land (in line with the same principles as defined above for residential assets),
- relocation costs (e.g., costs of the transfer and reinstallation of the plant, machinery or other equipment),
- loss of net income incurred as a result of Project activities until the full restoration of business activities.

Businesses losing only part of their land will be provided with:

- monetary compensation at full replacement cost for land,
- loss of net income incurred as a result of Project activities until the full restoration of business activities,
- any damages caused by construction activities.

Specific reports for each business being affected by the Project are attached to this document (Annex 2.2).

[2] Replacement cost includes the registration cost in the Immovable Property Registration System, or other relevant register, any administrative fees, and/or transfer taxes

6.6 COMPENSATION FOR TEMPORARY LAND OCCUPATION

Construction related activities will be organised in a way to avoid or minimise economic displacement, i.e., by ensuring that access will be retained to local land uses. Any short-term impacts related to temporary occupation of land for construction purposes will be compensated in accordance with the Expropriation Law, as well as in accordance with EBRD's requirements for any formal owners and informal users of land. Any trees or crops damaged by construction works shall also be compensated at full replacement cost. Construction Contractor will develop Project's Additional Land Take plan which shall be based on the requirements of this document (LALRP).

Compensation rates will be based according to the following criteria:

- Annual temporary compensation cost for additional Urban / Rural land at 12.5% of land purchased as per price stipulated at the Entitlement Matrix of this document. There will be no temporary land take less than one year.
- Temporary compensation cost for crops and trees will be referred to compensation rates and relevant formulas provided in Section 5.3 of this document.

All compensations related to temporary land take occupation will be carried out by the Contractor. Based on FIDIC lump sum contract, the Contractor chooses his MOS (Method of Statement) to undertake any civil actives by considering to implement land take mitigation measure and ensure that land is returned to pre-project condition.

6.7 OTHER COMPENSATIONS

There is a number of land properties whose owners have re-evaluated their properties and registered such change in the cadaster office and this is reflected at the land legal ownership title. However, HSH will proceed with land compensation rates as stipulated for each project zones (zones 1-8) and provide compensation for all additional land property taxes they have paid since the re-evaluation is performed. Based on the census and asset inventory information, there are 8 parcels that have performed the revaluation of land by licensed experts based on Law no. 'For revaluation of the Real Estate'. HSH has prepared the cost to cover reimbursement of taxes paid by the PAPs for the revaluated land parcels and the annual taxes paid. Such costs are indicative as they are based on the information provided by one of the landowners in Zone 6. Other parcels are in Zone 4 which has similar tax costs applied. The indicative cost is included in the Entitlement Matrix (final raw, next to Grand Total Cost). During the expropriation process, further engagement with remaining PAPs will be carried out in order to finalize the tax compensation costs.

6.8 ENTITLEMENT MATRIX

Compensation entitlements for different categories of eligible persons and assets are summarized below.

Table 11: Entitlement matrix

Location	People/places	Impacts	Livelihood response or mitigation measures	Actions/Documents	Compensation Methodology	Budget estimation	Status
Project footprint							
Total affected surface from the Project is **150,108.1 m²**. The Parcels to be expropriated 141 in total.	- 42 parcels belong to state including Municipality of Tirana - 99 parcels belong to individuals/owners - 7 parcels belong to business owners - 4 belong to UBT	- Permanently loss of title to land - Loss of crops and perennial trees - Business economic displacement	- Compensation packages to the owners covering **replacement cost** for the land, crops and perennial trees and auxiliary assets. - Cost calculations of the affected business by involuntary economic displacement	1. Land Acquisition Framework (LAF) – 2016 2. Land Acquisition and Livelihood Restoration Plan (LARP) – 2019 3. LARP addendum – 2020 4. Updated socio-economic study and compensation methodology – 2021 5. Updated land valuation study performed in June 2022 6. Updated LALRP	See next cells below	Total **317,541,532** ALL /EQV of **2,709,861 Euro**	1. Completed 2. Completed 3. Completed 4. Completed 5. Completed 6. In progress (this doc)
Vore Municipality							

Municipality of Vore, with 77 affected private land plots of total affected cases. Cadastral area: - 1167 (Berxull) - 1514 (Domje) - 1649 (Fushe Preze)	- 77 private land plots in Vore with **82,119.90** m² to be expropriated. - 16 plots in Domjet Triangle with 27,461.20 m² - 7 land plots in upper Domje with 5,620.20 m ² - 53 plots in Berxull with 44,506.90 m² - 1 land plot in Fushe Preze with 2,773 m²	- Automobile scrapyard 1 - Automobile scrapyard 2 - External wall at Domje triangle; - A section of greenhouse in Upper Domje; - Land plots cultivated with *paulownia* tree - Land plots cultivated with crops (alfalfa, corn, wheat); - Land plots cultivated with fruit trees; - Auxiliary assets (fence, etc.)	- Land acquisition at *replacement cost* - Compensation with replacement costs of crops and perennial trees. - Compensation costs for auxiliary assets (wall fence, etc.). - Cost calculations of the affected business by involuntary economic displacement	Expropriation excels file	Cadastral area 1514 - Urban land 6,444.90 ALL/sqm Cadastral area 1167 - Agricultural land 2,109.24 ALL/sqm Cadastral area 1669 - Urban land 5,273.10 ALL/sqm	Total Vora Municipality 233,259,183.22 ALL (EQV 1,985,353.50 euro) - Land acquisition 221,509,383.78 ALL (EQV 1,885,346.70 euro) - Crops and trees 3,271,261.34 ALL (EQV 27,842.89 euro) - Auxiliary assets 2,866,475.10 ALL (EQV 24,397.61 euro) - Business structures 3,877,295.00 ALL (EQV 33, 001.06 euro) - Business income and transfer taxes 330,768.00ALL (EQV 2,815.29 euro) - Relocation costs 1,404,000.00 ALL (EQV 11,949.95 euro)	Completed
				• Economical displacement reports No 1 –2021 (AÇ)		4,583,837.70 ALL	
				• Economical displacement reports No 2 –2021 (DÇ)		879,701.40 ALL	
				• Assessment report No 3 – 2021 (HS)		731,094 ALL	
Tirana Municipality							
Administrative Unit (AU) of Kashar part of Tirana Municipality with 2 affected land plots. There is no private land plot affected in AU Mezes, only public land due to urban development situation. Cadastral area: - 2679 (Mezes) - 2119 (Katund I ri)	- Expropriated land area is **43** m2 - 0 land plots in Mezez - 2 in Katund i ri	Mezes-Kashar with **43** m² to be expropriated. Structure impacted - Three informal houses near Kashar Station - There is a business structure (car wash and parking) in land plots no. 60/39 & 60/77 in Mezes AU.	- Land acquisition with *replacement cost* - Compensation with replacement costs of crops and perennial trees. - Assessments reports for structure impacted - Assessment report for business relocation	• Expropriation excels file	Cadastral area 2119 and 2679 - Construction land 7,030.80 ALL/sqm	Total Kashar and Mezes 3,286,755.30 ALL (EQV 27,974.77 euro) - Land acquisition 303,124.20 ALL (EQV 2,580.00 euro) - Crops and trees 181,790.60 ALL (EQV 1,547.29 euro) - Auxiliary assets	Completed

						1,274,356.50 ALL (EQV 10,846.51 euro) - Business structures 935,944 ALL (EQV 7,966.16 euro) - Business Income Loss and transfer taxes 372,540.00 ALL (EQV 3,170.82 euro) - Relocation costs 219,000.00 ALL (EQV 1,863.99 euro)	
Kamza Municipality							
Kamza Municipality with 8 land plots in total. Cadastral area: - 1649 (Valias) 4 land plots - 2066 (Kamez) 4 land plots	- Expropriated land area is **15,830.10** m2 - There are 4 land plots that belong to UBT (Agriculture University of Tirana). - There is other 4 land plots privately owned.		- Land acquisition with *replacement cost* - Compensation with replacement costs of crops and perennial trees	Expropriation excels file	Cadastral area 1649 - Agricultural land 2,109.24 ALL/sqm Cadastral area 2066 - Agricultural land 2,109.24 ALL/sqm	Total Kamez and Valias 34,126,176.38 ALL (EQV 290,460.26 euro) - Land acquisition 33,477,812.59 ALL (EQV 284,941.80 euro) - Crops and trees 648,364.30 ALL (EQV 5,518.46 euro)	Completed
Kruja Municipality							
Kruja is affected 13 land plots in total. Cadastral area: - 3096 (Qereke) with 12 parcels - 3183 (Rinas) with one parcel	Kruje with **9,659.806** m² of total surface of land to be expropriated. - There are 12 land plots in Qereke - 1 land plot in Rinas	There is one business, SHA Alb Transport with 38.10 m² land surface to be expropriated in Kruja.	- Land acquisition with *replacement cost* - Compensation with replacement costs of crops and perennial trees	Expropriation excels file	Cadastral area 3096 - Urban land 5,273.10ALL/sqm Cadastral area 3183 - Urban land 5,273.10 ALL/sqm	Total Kruje (Qereke and Rinas) 51,461,524.44 ALL (EQV 438,007.70 euro) Land acquisition 51,071,845.59 ALL (EQV 434,691.00 euro) Crops and trees 389,678.85 ALL (EQV 3,316.70 euro)	Completed

6.9

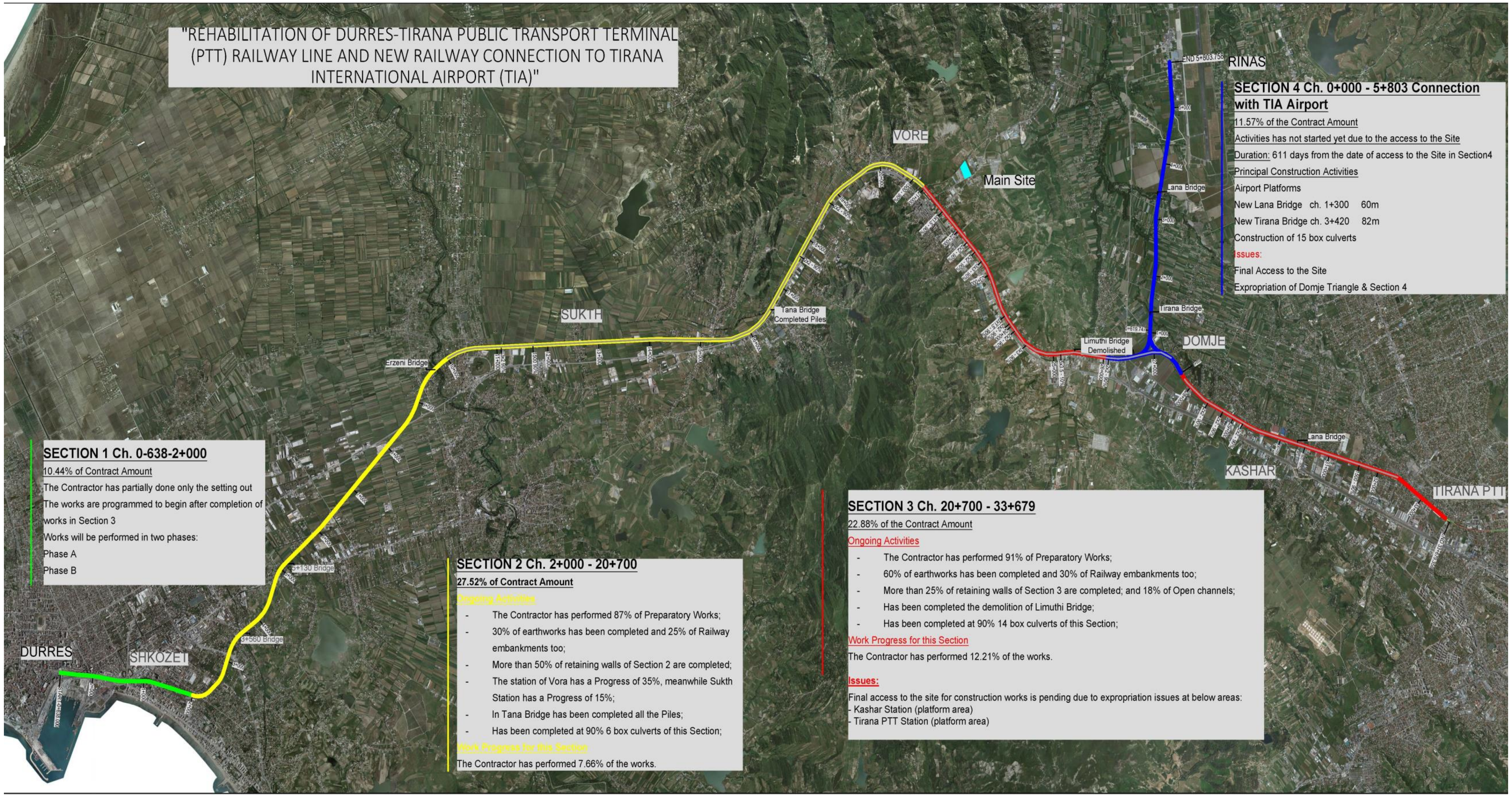

Figure 11: Construction Works Program

6.10 COST AND BUDGET

The costs of the land acquisition process for the entire railway footprint will be covered by the Albanian state budget.

To determine the budget required to perform the expropriation, HSH has applied national and EBRD PR5 requirements.

The estimated Expropriation Cost is ALL 323,090,120.47 / EUR 2,749,937.19 *(Exch. Rate: 1 EUR=117.49.00 ALL, date 12th September 2022, Link: https://www.bankofalbania.org/Tregjet/Kursi_zyrtar_i_kembimit/)*
The cost includes:

- Compensation for land at replacement cost, including all crops and trees, unviable land, etc;
- Compensation for auxiliary structures at replacement cost;
- Compensation for business structures, income loss, relocation assistance etc.;

The table below shows a detailed breakdown of compensation per categories of land and assets while a detailed compensation matrix is part of Annex 3 of this document.

Table 12: Compensation breakdown per categories of location, land and assets

Municipalities	LGU	Number of Private Parcels	Affected Arable Land (m2)	Affected Construction land (m2)	Unviable land (m2)	Total land area (m2)	Price EUR (m2)	Price ALL (m2)	Total Land Compensation (ALL)	Crop and Tree Compensation (ALL)	Auxilary assets (ALL)	Business Structures (ALL)	Business Income Loss and Transfer Taxes (ALL)	Revaluation Cost (Indicative (ALL)	Relocations cost (ALL)
Kruje	Qereke, Rinas	12	0.00	9,646.80	13.00	9,659.80	45.00	5,287.05	51,071,845.59	389,678.85					
Kamez	Kamez	8	15,830.10	0.00	0.00	15,830.10	18.00	2,114.82	33,477,812.08	648,364.30					
Vore	Fushe Preze	1	0.00	2,733.50	0.00	2,733.50	45.00	5,287.05	14,452,151.18	0.00					
	Berxull	53	44,506.90		1,376.70	45,883.60	18.00	2,114.82	97,035,554.95	2,437,156.07		158,844.00			
	Upper Domje	7	0.00	5,620.20	421.40	6,041.60	55.00	6,461.95	39,040,517.12	48,169.47	299,290.80				
	Domje Triangle	16	27,461.20	0.00	0.00	27,461.20	22.00	2,584.78	70,981,160.54	785,935.80	2,567,184.30	3,718,451.00	330,768.00		1,404,000.00
Tirana	Kashar, Mezes	2	0.00	43.00	0.00	43.00	60.00	7,049.40	303,124.20	181,790.60	1,274,356.50	935,944.00	372,540.00		219,000.00
SUM		**99**	**87,798.20**	**18,043.50**	**1,811.10**	**107,652.80**			**306,362,165.66**	**4,491,095.09**	**4,140,831.60**	**4,813,239.00**	**703,308.00**	**956,481.12**	**1,623,000.00**
TOTAL COST AS PER EBRD PR5 STANDARD														**Total (ALL)**	**323,090,120.47**
														Total (EUR)	**2,749,937.19**

7. DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS

7.1 DISCLOSURE OF INFORMATION AND CONSULTATIONS HELD TO DATE

A series of consultations were held with local authorities, NGOs and communities during the development of the LAF and the Stakeholder Engagement Plan in 2016, and are described in more detail in the two mentioned documents.

During the development of this LALRP, all affected people were visited individually for the purpose of conducting a detailed socio-economic survey (as described in Chapter 3 of this LALRP). In addition, the following stakeholders were individually visited and consulted:

- Agricultural University of Tirana (Faculty of Agriculture and Environment), which owns land located in the Municipality of Kamza very close to the Mother Teresa International Airport. Various agricultural activities are implemented on this land, mainly focused on new technologies and innovative demonstrations for students. Different types of seedlings and high generation of seeds are produced. There is also the ex-situ of some of plant gene bank material
- Tirana Regional Agriculture Directorate, which is the responsible authority within the Ministry of Agriculture and Rural Development for agriculture, food and rural development in the Tirana region.
- Municipalities of Tirana, Kruja and Vora
- HSH.

7.2 PLANNED DISCLOSURE OF INFORMATION AND CONSULTATIONS

This LALRP document will be disclosed in both English and Albanian. Paper copies of the document will also be made available in a number of locations easily accessible to interested parties, including the following:

- MIE, address: Bulevardi “Dëshmorët e Kombit”, 1001, Tirana, Albania
- Municipality of Tirana, address: Sheshi “Skënderbej”, 1000, Tirana, Albania
- Municipality of Durres, address: Sheshi “Liria”, 2000 Durres, Albania
- Municipality of Vore, address: Rruga Unaza, Vorë, Albania
- Municipality of Kamëz, address: Bulevardi “BLU” Nr.492, Kamëz, Albania
- Municipality of Krujë, address: Sheshi "Skënderbej". Qender Krujë, Albania
- EBRD Resident Office in Tirana, address: Torre Drin Building, 4th Floor Abdi Toptani Street, Tirana

Not earlier than 10 days after disclosure of documentation, a public consultation meeting will be organised in the village of Bruke by MIE to present the draft LALRP and discuss all land acquisition issues and concerns. During the meeting, MIE will present, in particular:

- The exact railway footprint
- The status of land acquisition activities
- The key contents of this LALRP:
    - expected impacts
    - key principles
    - cut-off date
    - grievance mechanism.

The meeting will be announced through the official MIE website, and by posting the announcement on the bulletin boards of all involved Municipalities. The announcement will also be sent directly to the Agricultural University of Tirana

The announcement will indicate: (i) where the draft document can be accessed, (ii) the date of the meeting, (iii) the contact details of the responsible person to whom any questions or comments can be submitted in writing, as well as the timeframe for submission of comments.

Within 10 days from the organised meeting, MIE will consider and incorporate any comments received in writing or during the consultations, as well as prepare and include in this LALRP a summary of comments/questions received and how they have been addressed.

The LALRP will remain in the public domain for the entire duration of the Project cycle.

In addition, affected communities will be informed of anticipated construction activities 3 months prior to construction works and ongoing as necessary, through:

- MIE web site
- Websites of involved municipalities
- Announcements in the newspapers: Panorama, Shekulli, Tema
- Announcements on radio stations: Top Albania, Club fm
- Posters/bulletin boards in the municipalities.

8. IMPLEMENTATION OF THE LALRP

8.1 IMPLEMENTATION

The HSH staff has started from November 2020 the following activities.

- Socio-economic survey and Census verification (Completed)
- Compensation study (Completed)
- Calculation of PAPs compensation (Completed)
- Negotiation process (Open)
    - First Visit
    - Second Visit
- Expropriation process (Open)

To ensure adequate implementation of the expropriation process as per national and EBRD PR5 requirements, Works Contractor has prepared a Mobilization Plan and Map (figure 8, pg.45 of this document) and the Program of Work that is included in the Annexes of this document. Both documents are approved by Engineering Supervisor and HSH and they provide in detail the timelines and areas of site activities that do not impact expropriated land parcels until full compensation is performed by the Project.

The HSH will play an active role during the expropriation planning, implementation and monitoring. Albanian Railwayswill collaborate with MIE to achieve outcomes that are consistent with the EBRD Performance Requirement, especially with PR5.

Albanian Railways has requested at end of August 2021 the start of the expropriation procedure at State Agency of Expropriation. It will be followed by the issuing date of the Decision of Council of Ministers on the expropriation.

Explaining Negotiation process

The negotiation process starts with the first visit to PAPs by the Land/Expropriation Specialist, who present and explain the offer. Preventive measures and the protocols implemented for COVID-19 will be respected during these meetings. During a period of approximately two weeks the PAP is given the time to consider the offer, to ask for additional explanation and information or to seek legal advice. The Communication Social Manager will be available operating from HSH offices to answer questions on procedure and otherlegal solutions.
Two weeks after the first visit, the PAP is visited for the second time. It would be preferable for awitness to accompany the HSH team, possibly the village elder, to be present during the signing of the offer. If the PAP refuse to sign the offer during the second visit, a Minute of Disagreement is signed by the representative of HSH and the witness. The PAP is asked to sign for confirmation.

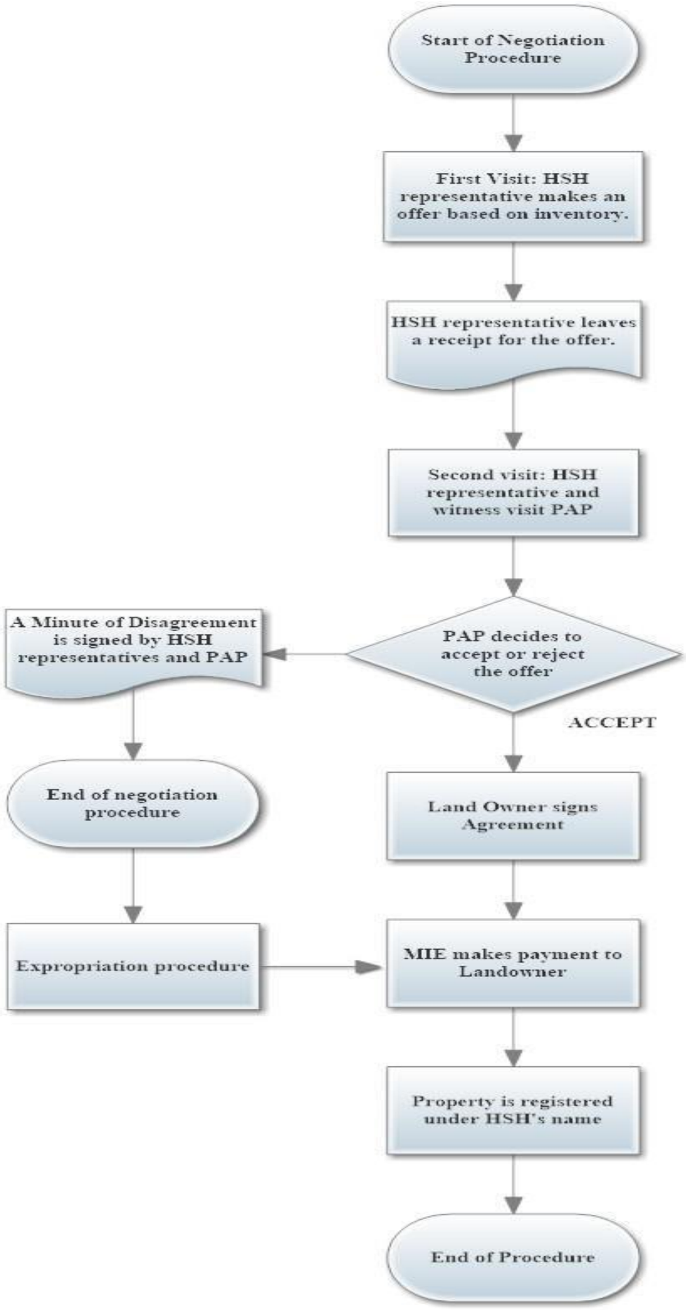

Figure 12: Negotiation Procedure

The Minutes of Disagreement will be delivered to the Compensation Officer and Communicationand Social Manager (CSM) to make a review of the situation. If the compensation value can be corrected than the new offer will be presented to claimer again.

If despite reasonable endeavours of HSH the PAP cannot be persuaded to sign the offer, and the minute of disagreement is drawn up, the negotiation procedure will be deemed unsuccessful. In that case, an expropriation procedure will start to obtain rights for the land required by AlbanianRailways. Amongst others, this may apply in situations where the whereabouts of the landowneror land user are unknown (absentee landowners) as well as in situations where good faith negotiations do not achieve a mutually acceptable agreement. The offer remains open until the expropriation has ended, to allow PAP to change his/her mind.

Once the compensation that is owned to a landowner or user has been calculated, the owner or user will be notified by writing of the compensation offer. The offer will include all relevant details per the compensation calculation sheet mention above.

Once the agreement on compensation is reached, agreement will be signed and the negotiation will be considered successful. The compensation will be paid in one instalment in Albanian Lekon the bank account designated by land owner/ or land user and mention in the compensation agreements.

The landowner will be asked to vacate the land one week after payment. After such period, the Project will have the right to enter in the land if required.

The Communication and Social Manager will make sure that the process is inclusive and understandable to person of low-level literacy and will provide specific measures (such as dedicated individual visits and detailed explanation) for vulnerable person such as elderly and disabled (if such person will be identified).

The process described above is very resource intensive, and it requires considerable interaction between the project and affected persons, both at community and individual levels. It is therefore important that the Albanian Railways adequately resource the Land Acquisition/Expropriation team.

8.2 MONITORING AND EVALUATION

Monitoring and Evaluation are Albanian Railways' keys components of the land acquisition process.

Given the exceptional situation where expropriation process has not commenced yet, the Client is committed the onsite construction activities will not be allowed in areas where land expropriation is planned until expropriation budget is approved and full compensation is received by PAPs.

HSH monthly LALRP Implementation Monitoring Report

Therefore, in addition to close collaboration between the Project parties, HSH shall monitor closely the site activities to ensure compliance with the above commitment. HSH will develop and prepare a monthly LALRP implementation monitoring report and submit to EBRD.

After approval of the Contractor's revised Mobilization Plan and Programme of Works, HSH and Supervising Engineer shall monitor and report on daily basis site activities.

Construction Daily Report

Works Contractor shall deliver construction daily report to Supervising Engineer and AR. Such reports shall include description of activities and their location. HSH will include such information in their LALRP Implementation Monitoring Report.

Induction Training

Works Contractor to prepare the Induction Training to all new workforce and subcontractors. The Induction Training shall include LALRP issues and site restricted areas.

Ongoing Stakeholder Engagement

HSH social and expropriation team and works contractor's social experts shall maintain ongoing engagement with local communities and PAPs. Any records of such meetings, included expropriation related information disclosure and clarification shall be included in the LALRP Implementation Monitoring Report. Any issues related to the information regarding Project expropriation shall be forwarded and be managed by HSH's Expropriation Team.

Expropriation-related Grievances and Incidents

All grievances related to expropriation issues and relevant site incidents shall be reported to HSH Expropriation Team. Such information will be included in the monthly report.

8.3 REPORTING

HSH shall prepare a monthly LALRP Implementation Monitoring Report which shall provide details on the Contractor's management of site activities through their daily and monthly report of social plans and expropriation, HSH expropriation activities and compensation progress in collaboration with state authorities. The monitoring and reporting indicators (KPI's) are provided below.

Monitoring and Evaluation will be divided into three components, defined below.

- Input monitoring,
- Output monitoring,
- Outcome evaluation.

Input (or progress) monitoring: Measures whether inputs are delivered on schedule and as definedin the Land Acquisition Plan. Inputs are the services, resources or goods that contribute to achieving outputs and, ultimately, desired outcomes. Input monitoring is done internally on an on-going basis, often as part of the project general management system or quality assurance system.

Output (or performance) Monitoring: Measures the direct measurable results of the inputs, for example the number of people receiving compensation or completing livelihood restoration training course. Input and output monitoring together keep track of project implementation efficiency, and indicate whether changes need to be made to make the program operate more efficiently. Output monitoring is done internally.

Outcome (or impact) Evaluation: Defines the extent to which the project inputs and outputs are achieving or are likely to achieve the objectives of a program. Examples of outcomes include theeffectiveness of livelihood restoration or reinstatement. Outcome evaluation, coupled with outputmonitoring results, indicate whether the program is genuinely working and should continue to beimplemented as is, or whether fundamental changes have to be made. Outcome evaluation is usually carried out by an external independent group.

Table 13: Input and Output Indicators

Indicators	Measured How	Frequency	KPI[1]
Input indicators			
Overall spending	Financial records	Monthly	**KPI**
Distribution of spending by: - **Cash compensation** - **Rehabilitation - livelihood restoration** - **Consultation and engagement** - **Vulnerable people** - **General implementation services &overhead**	Financial records	Monthly	

Number of full-time HSH staff dedicated to land acquisition & compensation, with distribution in-house / outsourced if applicable, and distribution by skill type	HR Department	Monthly	**KPI**
Number of vehicles, computers, GPSs, and other equipment as applicable available to the resettlement & compensation program	Count	Monthly	
Number of PAPs by categories (consistent with categories in the entitlement matrix)	Census and grievance management	Monthly	**KPI**
Output indicators			
Number of people having received cash compensation in the period with distribution by compensation type and by classes of amounts	Data management system	Monthly	**KPI**
Number of individual compensation agreements signed in the period	**Data management system**	**Monthly**	

Albanian Railways will use indicators and KPIs shown in the table below to carry out outcomemonitoring of its land acquisition and compensation activities.

Table 11 provides the impact indicators. The grievances will be used to generate practical guidancefor the project.

Table 14: Outcome indicators

Indicator/Issues	Measured how	Frequency	KPI
Grievances			
Average time for grievance processing	The CSM will measure time interval between grievance registration, and first acknowledgement of receipt, and time interval to closure; compare to commitments in the Third-partyGrievance Procedure	Monthly/ Quarterly	**No**
Number of the open grievances at the end of each month and trendsover time	The CSM will process the grievance log (excel file): if the grievance number keeps increasing aggravating backlog of unresolved grievances, then the PIU Director will check adequacy of resources	Monthly/ Quarterly	**Yes**
Number of ongoing court cases and trendsover time	The CSM will process thegrievance log (excel file)	Monthly/ Quarterly	**No**
Compensation			

Average time forpayment of compensation	Record time between signing of compensation agreements and payment of compensation. The CSM will check on any delays and trends in time.	Quarterly	**Yes**
Use of Compensation	**What has compensation used for?**	**Yearly**	**Yes**

8.4 GRIEVANCE MECHANISM

In practice, grievances and disputes that may be anticipated for the HSH land acquisition programmer are the following:

- Misidentification of properties (allocation of a property to the wrong owner due to wrong cadastral information and/or deliberately misleading statements);
- Disputes over plot limits, between affected persons and the Project or between two neighbours;
- Dispute over the ownership of a given property (two or more individuals claim to be the owner of this property);
- Disagreement over the valuation (either unit rate applied or count) of a plot, crop or structure;
- Post cut-off establishment of a structure or other asset, whether deliberate (opportunistic occupation in anticipation of compensation) or not;
- Absentee landowners;
- Confusion between legal occupants and informal occupants;
- Forged documents (identification, ownership or others);
- Deceases and unresolved successions, divorces, and other family issues, resulting in disputes between heirs or shareholders in the disputed property, particularly when suchoccur after identification and before payment;
- Damages occurring during construction;
- Unsatisfactory reinstatement.

HSH will apply its Grievance mechanism procedure for issues and complains associated with activities of Land and Acquisition process, as such as explained above.

In case this mechanism will not allow reaching a settlement, the complainant can resort to the judicial system. The aggrieved party will have the faculty to resort to the judicial system at any time in the process. However, in such an occurrence, HSH will be able to interrupt the amicableresolution process.

Contact Information

All grievances related to land acquisition shall be channeled to Albanian Railways through the following designated staff member and by using the grievance template in the next page:

Mr. Eriton Hasaj
Social and Communication Manager
Albanian Railways
Rruga Egnatia, 3, Durres
Tel: 00355672221452
Email: eriton.hasaj@hsh.com.al

Public Grievance Form

Reference No:	
Full Name Note: you can remain anonymous if you prefer or request not to disclose your identity to third parties without your consent	First name_______________________________________ Last name _______________________________________ ❑ I wish to raise my grievance anonymously ❑ I request not to disclose my identity without my consent
Contact information **Please mark how you wish to be contacted (mail, telephone, e-mail).**	☐ **By Post: Please provide mailing address:** ____ ____ ____ ☐ **By Telephone:** ____ ☐ **By E-mail**
Preferred language of communication	☐ **Albanian** ☐ **Romanian**
Description of Incident for Grievance	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident / Grievance	☐ **One-time incident/grievance (date ________________)** ☐ **Happened more than once (how many times? ______)** ☐ **On-going (currently experiencing problem)**
What would you like to see happen to resolve the problem?	

Signature: ___________________________________
Date: ___________________________________

Mr. Eriton Hasaj
Social and Communication Manager
Albanian Railways
Rruga Egnatia, 3, Durres
Tel: 00355672221452
Email: eriton.hasaj@hsh.com.al

ANNEX 1: MAPS AND CADASTER INFORMATION (AVAILABLE ON REQUEST TO HSH)

Annex 1.1 Topographic Report by Geopower_Nov. 2018
Annex 1.2 Expropriation maps_final updated by Contractor INC
Annex 1.3 Cadastre land ownership forms
Annex 1.4 Cadastre-registered land ownership certificates
Annex 1.5 Land ownership certificate of vulnerable family in Bruke village
Annex 1.6 Expropriation Map for unviable land

ANNEX 2: SOCIO-ECONOMIC STUDIES AND ASSESSMENT REPORTS (AVAILABLE ON REQUEST TO HSH)

Annex 2.1 Land Valuation Report of AOL Studio
Annex 2.2 Assessment Reports for Economic Displacement (non-residential structures)
Annex 2.3 Inventory and assessment for crops and trees (fruit trees, wheat, maize, alfalfa, paulownia tree and mixed)
Annex 2.4 Land Revaluation Taxes
Annex 2.5 Deloitte Reports

ANNEX 3: EXPROPRIATION MATRIX AND BUDGET (AVAILABLE ON REQUEST TO HSH)

ANNEX 4: WORKS CONTRACTOR WORK PROGRAM (AVAILABLE ON REQUEST TO HSH)

ANNEX 5: SOCIO-ECONOMIC QUESTIONNARIES (AVAILABLE ON REQUEST TO HSH)

Annex 5.1 Social Survey_Questionnaires with PAPs
Annex 5.2 Socio-economic study of ADIS studio

ANNEX 6: CONSTRUCTION MATERIALS INDEX PRICE ADJUSTMENT – SEPTEMBER 2022

Case 1:

No.	No. of An.	Item	Unit	Amount	Price according to the 2015 Handbook	Cost index, quarter II, 2022 (%)	Indexed price	Indexed value
Surrounding walls								
1	2.89	Concrete block wall, left wing	m^3	7.6	9,412	6.9	10,061	76,886.9
2	2.89	Concrete block wall, right side	m^3	15.4	9,412	6.9	10,061	154,845.4
3	2.89	External wall with concrete blocks	m^3	6.8	9,412	6.9	10,061	67,914.6
4	2.89	Longitudinal wall with concrete blocks	m^3	9.9	9,412	6.9	10,061	99,608.1

5	2.117/1a	Column b/a wall, left	m^3	0.6	17,279	6.9	18,471	11,969.4
6	2.117/1a	Column b/a wall, right	m^3	0.8	17,279	6.9	18,471	15,128.0
7	2.117/1a	Column b/a external wall	m^3	0.2	17,279	6.9	18,471	2,770.7
8	2.117/1a	Column b/a longitudinal wall	m^3	0.2	17,279	6.9	18,471	4,433.1
9	2.109/2	B/A foundation for walls	m^3	10.5	8,545	6.9	9,135	96,214.8
10	2.1	Excavation with wings for the foundations of walls	m^3	21.1	637	6.9	681	14,345.0
Amount 1								**544,115.9**
Service and warehouse								
11	An	Wooden profile beams (14x8)	ml	55	550	6.9	588	32,337.3
12	An	Wooden profile posts (14x8)	ml	24	550	6.9	588	14,110.8
13	An	Sheet metal cover, warehouse	Sqm	119.1	850	6.9	909	108,202.0
14	An	Tubular metal profiles (5x4) plus painting	ml	118	590	6.9	631	74,423.8
15	An	Tubular metal profiles (10x5) plus painting	ml	35	970	6.9	1,037	36,292.6
16	2.196	Waterproofing with bitumen emulsion and 1 layer of tar	Sqm	77.3	696	6.9	744	57,498.2
17	2.262/4	Concrete layer C16/20	m^3	11.3	8,525	6.9	9,113	102,523.8
18	An	Industrial b/a layer	Sqm	77.3	3,260	6.9	3,485	269,316.2
19	An	Sandwich panels for both rooms	Sqm	42	1,350	6.9	1,443	60,612.3
20	An	Electrical installations, cables, clocks, vending machines, etc	PIECES	1	95,000	6.9	101,555	101,555.0
21	An	Sheet metal cover, service	Sqm	101.5	855	6.9	914	92,788.8
Amount 2								**949,660.6**
Square works at the vehicle cemetery and the road								
22	An	Grass scarification	Sqm	1174.2	25	6.9	27	31,380.5
23	3.198	Cylindrical boxes with rollers	Sqm	1174.2	40	6.9	43	50,208.8

24	3.212	Ballast layer t=10/15 cm, macadam, spread and compacted by machine	Sqm	1174.2	507	6.9	542	636,396.4
25	An	Grass clearing on the road	Sqm	206	25	6.9	27	5,505.4
26	3.198	Cylindrical caissons with rollers on the road	Sqm	206	40	6.9	43	8,808.6
27	3.212	Ballast layer t=10/15 cm, macadam, spread and compacted by machine	Sqm	206	507	6.9	542	111,648.5
Amount 3								**843,948.1**
Sum (1+2+3)								**2,337,724.7**

Case 2:

No.	No. of An.	Items	Unit	Amount	Price according to the 2015 Handbook	Cost index, quarter II, 2022 (%)	Indexed price	Indexed value
Surrounding walls								
1	2.89	Left wing wall with concrete blocks	m^3	5.1	9,412.0	6.9	10,061	51,615.1
2	2.89	Right side wall with concrete blocks	m^3	6.0	9,412.0	6.9	10,061	60,217.6
3	2.89	Partition wall with concrete blocks	m^3	3.4	9,412.0	6.9	10,061	33,957.3
Amount 1						6.9		**145,790.1**
Storehouse								
4	2.89	Concrete block wall of warehouse, facade	m^3	3.0	9,412.0	6.9	10,061	30,637.0
5	2.89	Concrete block wall of warehouse, left	m^3	1.6	9,412.0	6.9	10,061	15,597.7
6	2.89	Concrete block wall of warehouse, right	m^3	1.4	9,412.0	6.9	10,061	14,126.2
7	2.89	Concrete block wall of warehouse, behind	m^3	2.5	9,412.0	6.9	10,061	25,354.8
8	2.117/1 a	Column b/a right wall	m^3	0.4	17,279.0	6.9	18,471	6,982.1
9	2.117/1 a	Column b/a right wall	m^3	0.4	17,279.0	6.9	18,471	6,982.1
10	2.117/1 a	Column b/a partition wall	m^3	0.1	17,279.0	6.9	18,471	2,216.6

11	2.109/2	Foundation b/a	m^3	5.4	8,545.0	6.9	9,135	49,737.9
12	2.1	Excavation with wings for foundations	m^3	3.6	637.0	6.9	681	2,471.9
13	2.262/4	Concrete layer	m^3	7.8	8,525.0	6.9	9,113	71,083.2
14	An	Cover with tin foil	m^2	45.2	850.0	6.9	909	41,025.5
Amount 2								**266,215.1**
Square works at the vehicle cemetery and the road								
15	An	Grass scarification	Sqm	427.5	25	6.9	27	11,424.9
16	3.198	Cylindrical boxes with rollers	Sqm	427.5	40	6.9	43	18,279.9
17	3.212	Ballast layer t=10/15 cm, macadam, spread and compacted by machine	Sqm	427.5	507	6.9	542	231,697.7
18	An	Grass clearing on the road	Sqm	200.0	25	6.9	27	5,345.0
19	3.198	Cylindrical caissons with rollers on the road	Sqm	200.0	40	6.9	43	8,552.0
20	3.212	Ballast layer t=10/15 cm, macadam, spread and compacted by machine	Sqm	200.0	507	6.9	542	108,396.6
Amount 3								**383,696.2**
Sum (1+2+3)								**795,701.4**

Case 3:

No.	No. of An.	Item	Unit	amount	Price according to the 2015 Handbook	Cost index, quarter II, 2022 (%)	Indexed price	Indexed value
Surrounding walls and buildings								
1	2.89	Wall with concrete blocks, the wing from the railway	m^3	12.2	9,412	6.9	10,061	123,071.4
2	2.89	The inner wall of the depot, from the track	m^3	2.4	9,412	6.9	10,061	24,529.8
3	2.89	The outer wall of the warehouse, from the track	m^3	2.4	9,412	6.9	10,061	24,529.8
4	2.89	The warehouse wall from the station	m^3	5.8	9,412	6.9	10,061	58,356.3
5	2.89	The warehouse wall from the neighbour	m^3	4.8	9,412	6.9	10,061	48,294.9
6	2.89	The storage wall from the house	m^3	2.4	9,412	6.9	10,061	24,529.8

7	2.117/1a	Column b/a wall from the track	m^3	0.6	17,279	6.9	18,471	11,378.3
8	2.117/1a	Column b/a wall from the square	m^3	0.2	17,279	6.9	18,471	3,250.9
9	2.117/1a	Warehouse columns	m^3	0.5	17,279	6.9	18,471	9,752.8
10	An	Sandwich panels for both rooms	Sqm	49.0	1,350	6.9	1,443	70,656.6
11	2.109/2	B/A foundation for external wall	m^3	2.2	8,545	6.9	9,135	20,315.4
12	2.109/2	Foundation b/a for the warehouse wall from the track	m^3	0.4	8,545	6.9	9,135	3,361.5
13	2.109/2	Foundation b/a for the warehouse wall from the station	m^3	0.8	8,545	6.9	9,135	7,307.7
14	2.109/2	Foundation b/a for the warehouse wall from the neighbour	m^3	0.8	8,545	6.9	9,135	7,307.7
15	2.109/2	Foundation b/a for the storage wall from the house	m^3	0.4	8,545	6.9	9,135	3,361.5
16	2.1	Excavation with wings for the foundation of the enclosure wall	m^3	2.5	637	6.9	681	1,703.7
17	2.1	Excavation with wings for the foundation of the wall from the track	m^3	0.4	637	6.9	681	281.9
18	2.1	Excavation with wings for the foundation of the wall from the station	m^3	0.9	637	6.9	681	612.9
19	2.1	Excavation with wings for the foundation of the wall from the neighbour	m^3	0.9	637	6.9	681	612.9
20	2.1	Excavation with wings for the foundation of the wall from the house	m^3	0.4	637	6.9	681	281.9
21	2.331	Ordinary facade plaster brick wall h ~ 8 m	Sqm	65.2	869	6.9	929	60,568.3
22	2.300	Plaster slab h ~ 4 m with leader, with wing	Sqm	46.0	1,038	6.9	1,110	51,042.6
23	2.310	Plaster inside brick wall h~4m with	Sqm	77.4	674	6.9	721	55,767.2

		wing, mixed mortar M 25						
24	2.197	Waterproofing with bitumen emulsion and 2 layers of tar	Sqm	46.0	1,232	6.9	1,317	60,582.4
25	2.395	Aluminium glass doors.	Sqm	4.0	10,897	6.9	11,649	46,129.6
26	3.375	Aluminium windows with glass.	Sqm	3.8	9,063	6.9	9,688	37,203.3
27	2.404	Hydro plastic paint	Sqm	188.6	174	6.9	186	35,080.7
28	An	Electrical installations	PIECES	1.0	20,000	6.9	21,380	21,380.0
29	2.289	Pavement with cement glaze, without concrete curb	Sqm	6.4	1,145	6.9	1,224	7,870.4
amounts								**819,121.9**

Case 4

No.	No. of An.	Item	Unit	Amount	Price according to the 2015 Handbook	Cost index, quarter II, 2022 (%)	Indexed price	Indexed value
Surrounding walls and buildings								
1	2.89	Wall with concrete blocks, from the railway	m^3	5.7	9,412	6.9	10,061	57,551.4
2	2.89	Wall with concrete blocks, from the west	m^3	1.8	9,412	6.9	10,061	17,869.1
3	2.89	Wall with concrete blocks, from the east	m^3	2	9,412	6.9	10,061	20,102.7
4	2.89	Shop wall from the east	m^3	1.2	9,412	6.9	10,061	12,395.7
5	2.89	The warehouse wall from the west	m^3	1.2	9,412	6.9	10,061	12,395.7
6	2.89	The storage wall from the house	m^3	1.5	9,412	6.9	10,061	14,609.2
7	2.89	The warehouse wall from the railway	m^3	1.5	9,412	6.9	10,061	14,609.2
8	2.117/1a	Column b/a wall from the track	m^3	0.3	17,279	6.9	18,471	4,876.4
9	2.117/1a	Column b/a wall from the west	m^3	0	17,279	6.9	18,471	886.6
10	2.117/1a	Shop columns	m^3	0.4	17,279	6.9	18,471	6,501.9
11	An	Sandwich panels for shop cover	Sqm	10.5	1,350	6.9	1,443	15,153.1

12	2.109/2	Foundation b/a for the outer wall from the rail	m^3	1	8,545	6.9	9,135	9,500.0
13	2.109/2	Foundation b/a for the outer wall from the west	m^3	0.2	8,545	6.9	9,135	2,027.9
14	2.109/2	Foundation b/a for the outer wall from the east	m^3	0.2	8,545	6.9	9,135	2,027.9
15	2.109/2	Foundation b/a for the wall of the shop from the rail	m^3	0.2	8,545	6.9	9,135	1,808.7
16	2.109/2	Foundation b/a for shop wall from home	m^3	0.2	8,545	6.9	9,135	1,808.7
17	2.109/2	Foundation b/a for shop wall from east	m^3	0.2	8,545	6.9	9,135	1,534.6
18	2.109/2	Foundation b/a for west shop wall	m^3	0.2	8,545	6.9	9,135	1,534.6
19	2.1	Excavation with wings for the foundation of the enclosure wall	m^3	2.0	637	6.9	681	1,327.9
20	2.1	Excavation with wings for the foundation of the wall from the track	m^3	0.7	637	6.9	681	453.5
21	2.1	Excavation with wings for the foundation of the wall from the station	m^3	0.7	637	6.9	681	453.5
22	2.1	Excavation with wings for the foundation of the wall from the neighbour	m^3	0.4	637	6.9	681	269.7
23	2.1	Excavation with wings for the foundation of the wall from the house	m^3	0.4	637	6.9	681	269.7
24	2.1	Excavation with wings for the foundation of the wall from the house	m^3	0.3	637	6.9	681	228.8
25	2.1	Excavation with wings for the foundation of the wall from the house	m^3	0.3	637	6.9	681	228.8

26	2.331	Ordinary facade plaster brick wall h ~ 8 m	Sqm	23.2	869	6.9	929	21,589.1
27	2.3	Plaster slab h ~ 4 m with leader, with wing	Sqm	9.2	1,038	6.9	1,110	10,252.9
28	2.31	Plaster inside brick wall h~4m with wing, mixed mortar M 25	Sqm	23.2	675	6.9	722	16,769.4
29	2.197	Waterproofing with bitumen emulsion and 2 layers of tar	Sqm	11.5	1,232	6.9	1,317	15,171.9
30	2.395	Aluminium glass doors.	Sqm	1.6	10,897	6.9	11,649	18,638.2
31	3.375	Aluminium windows with glass	Sqm	0.4	9,063	6.9	9,688	3,875.3
32	2.262/4	Concrete layer C 16/20	Sqm	9.2	8,525	6.9	9,113	84,206.2
33	2.267/a	Layer with grez porcelanato tiles	Sqm	9.2	2,198	6.9	2,350	21,710.9
34	2.404	Hydro plastic paint	Sqm	55.7	174	6.9	186	10,364.3
35	An	Ceiling covering with wooden slats	Sqm	9.2	1,500	6.9	1,604	14,816.3
36	An	Hydraulic installations	PIECES	1	15,000	6.9	16,035	16,035.0
37	An	Electrical installations	PIECES	1	20,000	6.9	21,380	21,380.0
amounts								**455,234.6**

Case 5:

No.	No. of An.	Item	Unit	Price according to the 2015 Handbook	Cost index, quarter II, 2022 (%)	Indexed price	Indexed value
Reinforced concrete square							
1	3.1	Grass scarification	Sqm	10	6.9	11	1,932.9
2	3.198	Cylindrical boxes with rollers	Sqm	40	6.9	43	7,731.4
3	3.212	Ballast layer t=10/15 cm, macadam, spread and compacted by machine	Sqm	507	6.9	542	97,995.9
4	2.262/4b	Concrete layer 30 cm	m^3	8,213	6.9	8,780	476,237.1
5	2.167	Iron grillØ 10/ 10 cm	tone	103,493	6.9	110,634	249,897.9
6	3.1	Grass scarification	Sqm	10	6.9	11	106.9
7	3.198	Cylindrical boxes with rollers	Sqm	40	6.9	43	427.6

8	3.212	Ballast layer t=10/15 cm, macadam, spread and compacted by machine	Sqm	507	6.9	542	5,419.8
9	2.262/4b	Concrete layer 30 cm	m^3	8,213	6.9	8,780	26,339.1
10	2.167	Iron grillØ 10/ 10 cm	tone	103,493	6.9	110,634	14,161.2
11	3.1	Grass scarification	Sqm	10	6.9	11	128.3
12	3.198	Cylindrical boxes with rollers	Sqm	40	6.9	43	513.1
13	3.212	Ballast layer t=10/15 cm, macadam, spread and compacted by machine	Sqm	507	6.9	542	6,503.8
14	2.262/4b	Concrete layer 30 cm	m^3	8,213	6.9	8,780	31,606.9
15	2.167	Iron grillØ 10/ 10 cm	tone	103,493	6.9	110,634	16,942.5
amounts							**935,944.4**

Case 6

No.	No. of An.	Item	Unit	Price according to the 2015 Handbook	Cost index, quarter II, 2022 (%)	Indexed price	Indexed value
		Surrounding walls					
1	2.89	Concrete block wall, left wing	m^3	9,412	6.9	10,061	416,543.1
2	2.89	Concrete block wall, right side	m^3	9,412	6.9	10,061	485,363.3
	2.89	Concrete block wall at the entrance	m^3				
3	2.89	Partition wall with concrete blocks	m^3	9,412	6.9	10,061	123,151.9
4	2.117/1a	Column b/a left wall	m^3	17,279	6.9	18,471	73,146.2
5	2.117/1a	Column b/a right wall	m^3	17,279	6.9	18,471	62,506.7
6	2.117/1a	Column b/a wall at the entrance	m^3	17,279	6.9	18,471	15,959.2
7	2.117/1a	Column b/a end wall	m^3	17,279	6.9	18,471	18,619.0
11	2.109/2	Foundation b/a	m^3	8,545	6.9	9,135	1,359,229.2
12	2.1	Excavation with wings for foundations	m^3	637	6.9	681	12,665.7
amounts							**2,567,184.3**